HEALTH SERVICES AND DEVELOPMENT AGENCY MEETING SEPTEMBER 25, 2013 APPLICATION SUMMARY

NAME OF PROJECT:

The Health Center of Hermitage

PROJECT NUMBER:

CN1306-022

ADDRESS:

An unaddressed site on the west side of Bell Road

approximately 436 yards south of Woodland Point Drive

Nashville (Davidson County), Tennessee 37201

LEGAL OWNER:

The Health Center of Hermitage, LLC

100 Vine Street

Murfreesboro, TN (Rutherford County), TN 37130

OPERATING ENTITY:

Not applicable

CONTACT PERSON:

Bruce K. Duncan

(615) 890-2020

DATE FILED:

July 14, 2013

PROJECT COST:

\$20,142,000.00

FINANCING:

Cash Reserves

REASON FOR FILING:

The relocation of 60 of 150 beds approved but unimplemented from The Health Center of Nashville, LLC, CN1107-024A, pursuant to TCA § 68-11-1631 and the addition of 30 new Medicare-certified skilled beds. The additional 30 nursing home beds are subject to the 125 bed Nursing Home Bed Pool for the July 2012 to June

2013 state fiscal year period.

DESCRIPTION:

The Health Center of Hermitage, LLC, a subsidiary of National HealthCare Corporation (NHC), is seeking approval to relocate 60 of the 150 nursing home beds approved but unimplemented from Certificate of Need, CN1107-024A (The Health Center of Nashville, LLC) pursuant to § TCA 68-11-1631 and for the addition of 30 new Medicarecertified skilled nursing beds. The 90 beds will be located at an undeveloped site in the Hermitage area of Davidson County. The property does not have an address but is located along Bell Road approximately 2 miles south of Interstate 40. The request for partial

relocation is relative to the qualified partial relocation of certain nursing home facilities which was permitted by PC 618, Acts of 2012 and is codified at TCA § 68-11-1631.

Note to Agency Members: A request for modification of CN1107-024A, The Health Center of Nashville, LLC, is identified on the September Agency Agenda as General Counsel Report, Item B.

SERVICE SPECIFIC CRITERIA AND STANDARD REVIEW:

NURSING HOME SERVICES

A. Need

1. According to TCA 68-11-108, the need for nursing home beds shall be determined by applying the following population-based statistical methodology:

County bed need = .0005 x pop. 65 and under, plus .0120 x pop. 65-74, plus .0600 x pop. 75-84, plus .1500 x pop. 85, plus

See step 2 below for the Nursing Home Bed Need calculation.

2. The <u>need for</u> nursing home beds shall be projected two years into the future from the current year, as calculated by the Department of Health.

According to the bed formula developed in the 1990s, the TN Department of Health (TDH), Division of Health Statistics calculated the 2015 bed need for Davidson County to be 3,578 nursing home beds. Please see Staff Note on page 3 of this summary for additional discussion of the bed need formula.

It appears that this criterion has been met.

3. The source of the current supply and utilization of licensed and CON approved nursing home beds shall be the inventory of nursing home beds maintained by the Department of Health.

The TDH web-site indicates that there are currently 3,025 licensed nursing home beds in Davidson County. There are two outstanding

Certificate of Need projects in Davidson County: (1) The Health Center of Nashville, LLC, CN1107-024A for the construction of a 150 bed nursing home, (which ids the certificate of need from which 60 of the beds that are the subject of this application are being relocated and 2) McKendree Village, CN1202-010A for the addition of 30 Medicare SNF beds. Adding these 180 beds to the 3,025 current licensed beds, the current bed inventory for need determination is 3205 beds. The bed need formula calculates a need for 3,578 beds in Davidson County. The result is a net bed need of 373 beds.

*Note to Agency Members Regarding Bed Need Formula: The formula was included in a 1996 amendment to the statute governing the development of new nursing home beds. The formula was based upon a population-based methodology that did not consider levels of care (skilled or non-skilled) or payment sources (Medicare, Medicaid, 3rd party), Institutional care was the norm and there were limited, if any, home and community-based care options. The Long-Term Care Community Care Community Choices Act of 2008 (CHOICES) and the 2012 changes in Nursing Facility Level of Care Criteria for TennCare recipients have impacted nursing home occupancies in TN. According to TCA § 68-11-1622, the Agency shall issue no certificates of need for new nursing home beds other than the one hundred twenty-five beds included per fiscal year (commonly referred to as the 125-bed pool). These beds must be certified to participate in the Medicare skilled This does not preclude a nursing home from dually certifying beds for both Medicare and Medicaid.

4. "Service Area" shall mean the county or counties represented on an application as the reasonable area to which a health care institution intends to provide services and/or in which the majority of its service recipients reside. A majority of the population of a service area for any nursing home should reside within 30 minutes travel time from that facility.

The applicant states the project's service area will be Davidson County. The majority of the service area population is within 30 minutes travel time of the proposed facility.

It appears that this criterion has been met.

5. The Health Services and Development Agency may consider approving new nursing home beds in excess of the need standard for a service area, but the following criteria must be considered:

a. All outstanding CON projects in the proposed service area resulting in a net increase in beds are licensed and in operation, and

It appears that this criterion is not applicable since the thirty (30) proposed nursing home beds are not in excess of the need standard of the 1990s formula.

b. All nursing homes that serve the same service area population as the applicant have an annualized occupancy in excess of 90%.

It appears that this criterion is not applicable since the thirty (30) proposed nursing home beds are not in excess of the need standard of the 1990s formula.

B. Occupancy and Size Standards:

1. A nursing home should maintain an average annual occupancy rate for all licensed beds of at least 90 percent after two years of operation.

The applicant states the proposed skilled nursing home projects an annualized occupancy over 90% after two years of operation.

It appears that this criterion has been met.

2. There shall be no additional nursing home beds approved for a service area unless each existing facility with 50 beds or more has achieved an average annual occupancy rate of 95 percent. The circumstances of any nursing home, which has been identified by the Regional Administrator, as consistently noncomplying with quality assurance regulations shall be considered in determining the service areas, average occupancy rate.

There are eighteen (18) nursing home facilities in Davidson County that have more than 50 licensed beds. Collectively, those facilities reflected an 87.9% occupancy rate using 2011 JAR data. There were three nursing homes that attained an occupancy rate in excess of 95%. The applicant has provided a table on page 60 Attachment Section C. General Criteria-2B, of Davidson County Nursing Facilities State Survey Results by Number of Deficiencies. The average number of state survey service area deficiencies other than the applicant is 6.7 per facility, which is higher than the average statewide number of health deficiencies of 6.0. Crestview Health and Rehab was designated by the state as a Special

Focus Facility (SFF) due to a history of persistent poor quality of care. Crestview Health and Rehab has averaged eighteen (18) deficiencies over the last three annual surveys.

It appears that this criterion has <u>not</u> been met.

3. A nursing home seeking approval to expand its bed capacity must have maintained an occupancy rate of 95 percent for the previous year.

The applicant is seeking approval to relocate 60 beds from unimplemented certificate of need CN1107-024A (The Health Center of Nashville, LLC) and for the addition of 30 new beds.

It appears this criterion is not applicable.

4. A free-standing nursing home shall have a capacity of at least 30 beds in order to be approved. The Health Services and Development Agency may make an exception to this standard. A facility of less than 30 beds may be located in a sparsely populated rural area where the population is not sufficient to justify a larger facility. Also, a project may be developed in conjunction with a retirement center where only a limited number of beds are needed for the residents of that retirement center.

This application is for a new ninety (90) bed nursing home.

It appears that this criterion has been met.

STAFF SUMMARY

Note to Agency members: This staff summary is a synopsis of the original application and supplemental responses submitted by the applicant. Any HSDA Staff comments will be presented as a "Note to Agency members" in bold italics.

The Health Center of Hermitage proposes to open a 90 bed Medicare-certified skilled nursing home on the eastside of Davidson County distributing the beds across the county to where they perceive a greater need exist. According to MapQuest, the distance between the existing approved site in western Davidson County and the proposed site in eastern Davidson County is approximately 29 miles or 39 minutes of driving time using

Interstate 40 as a route. A map of the current location and proposed location is located on page 4A of supplemental #1.

125 bed Nursing Home Bed Pool

- In addition to the relocation of 60 approved but unimplemented nursing home beds, the applicant is requesting 30 new beds which will come from the Nursing Home 125 bed pool for the July 2012 to June 2013 state fiscal year period.
- There are currently 59 nursing home beds available in the July 2012 to June 2013 bed pool.
- A copy of the 125 bed pool bed stats is located at the end of this summary.

Historical Information:

- NHC received approval through CN1002-007A at the May 26, 2010 Agency meeting to relocate 150 of McKendree Village's 300 licensed beds, establish a new institution (The Health Center of Nashville, LLC) and construct a new 150 bed replacement facility within McKendree Village's market area, Davidson County. McKendree Village relinquished 150 licensed nursing home beds.
- NHC received approval at the September 28, 2011 Agency meeting in CN1107-024A to change the location of unimplemented CN1002-007A due to the unforeseen cost associated with site soil removal and stabilization, grading, rock removal and the construction of retaining walls.
- A house bill was approved March 23, 2012 which allows select nursing homes to partially relocate beds from an approved but unimplemented Certificate of Need location to a new location. A copy of the State of Tennessee, Public Chapter N. 618, House Bill 2632 is included on page 7 of the supplemental #1.

Ownership

The Health Center of Hermitage, LLC is a limited liability company (LLC) which has one (1) member, NHC/OP, L.P. NHC/OP, L.P. owns 100% of The Health Center of Hermitage, LLC. NHC/OP, L.P. is owned 99% by National HealthCare Corporation and 1% by the limited partnership's general partner, NHC/Delaware, Inc. National HealthCare Corporation owns 100% of NHC/Delaware, Inc. NHC/OP, L.P. also owns 100% in numerous nursing facilities, assisted living, homes for the aged and home health care organizations in seven southeastern states. Twenty-four (24) of the nursing homes are located within Tennessee.

NHC and Tri-Star Hospitals have entered into an agreement to coordinate care for patients in the post-acute care setting. The two providers will focus on the transition of patients between care settings to reduce the number of discharged patients who are readmitted to hospitals within 30 days of discharge. A copy of the business plan is located on page 27 of the application.

Facility Information

The proposed single story facility will consist of 70,054 square feet and a 1,000 square foot maintenance building. The center will consist of seventy-two (72) private rooms, four (4) companion rooms/private rooms with shared baths, and five (5) semi-private rooms and physical, speech and occupational suites.

Service Area Demographics

The Health Center of Hermitage's declared service area is Davidson County.

- The total population of the service area is estimated at 649,507 residents in calendar year (CY) 2013 increasing by approximately 4.1% to 676,131 residents in CY 2017.
- The overall statewide population is projected to grow by 3.7% from 2013 to 2017.
- The 65 and older population will increase from 11.1% of the general population in 2013 to 12.2% in 2017. The statewide 65 and older population will increase from 14.5% in 2013 of the general population to 15.8% in 2017.
- The proportion of TennCare enrollees of the total county population is 18.4%, compared with the state-wide average of 18.3%.

Source: The University of Tennessee Center for Business and Economic Research Population Projection Data Files, Reassembled by the Tennessee Department of Health, Division of Policy, Planning and Assessment, Office of Health Statistics.

Historical Utilization

The utilization table on the following page reflects the following:

- There was a 2.9% decrease in total patient days in Davidson County from 824,222 in 2009 to 799,928 in 2011
- The nursing home bed occupancy rate increased from 84.4% in 2009 to 87.9% in 2011 in the proposed service area of Davidson County

However, please note the following:

- There appears to be JAR reporting outliers in 2011 with Imperial Gardens and The Meadows Nursing Homes. Imperial Gardens reported minimal utilization while The Meadows reported occupancy in excess of 100%.
- The table below does not include 367 beds located in three new facilities licensed since late 2011: Life Care of Old Hickory Village (124 beds) licensed on May 3, 2012, Life Care of Hickory Woods (124 beds) licensed on October 25, 2011, and Signature Healthcare of Nashville Rehabilitation & Wellness Center licensed on January 17, 2013.

Service Area Historical Utilization

Nursing Home	2013	2009	2010	2011	'09- '11	2009	2010	2011
	Lic.'d	Patient	Patient	Patient	%	%	%	% Occ.
	Beds	Days	Days	Days	Change	Occ.	Occ.	
Belcourt Terrace	49	14,235	14,636	15,350	+7.8%	79.6%	81.8%	85.8%
Bethany Health	180	62,909	62,936	61,284	-2.5%	95.8%	95.8%	93.3%
Cent.								
Bordeaux LTC	419	128,480	130,085	128,642	+.12%	84.0%	85.1%	84.1%
Crestview NH	111	31,040	30,231	29,873	-3.7%	76.6%	74.6%	76.6%
Cumberland	124	41,613	42,644	42,968	-3.2%	91.9%	94.2%	94.9%
Manor								
Donelson Place	124	37,077	41,882	36,675	-1.1%	81.9%	92.5%	81.0%
Good Samaritan	110	38,717	37,094	34,343	-11.3%	96.4%	92.4%	85.5%
Grace Healthcare	127	40,068	39,207	43,442	+8.4%	86.4%	84.6%	93.7%
Green Hills Hlth.	150	42,873	46,259	46,172	+7.7%	78.3%	84.5%	84.3%
& Rehab		1.0						
Imperial Gardens	165	49,875	46,288	117	*	82.8%	76.9%	*.2%
Jackson Park	28	9,483	9,292	8,584	-9.5%	92.8%	90.9%	84.0%
Christ. Home								
Lakeshore	66	23,511	23,419	17,960	-23.6%	97.6%	97.2%	74.6%
Heartland								
Madison	102	34,468	35,370	33,728	-2.2%	92.6%	95.0%	90.6%
Healthhcare								
McKendree	150	34,437	45,594	47,882	+39%	31.4%	83.3%	87.5%
Village								
Health Cntr.	107	38,442	38,445	38,481	+.10%	98.4%	98.4%	98.5%
Richland Pl.								
The Meadows	113	26,483	30,436	41,430	+56.4%	64.2%	73.8%	100.4%
Trevecca HC	240	80,338	79,092	77,422	-3.6%	91.7%	90.3%	88.4%
Center								
Vanco Manor	90	31,569	31,776	31,619	+.15%	96.1%	96.7%	96.3%
West Meade Place	120	37,116	38,781	35,204	-5.1%	84.7%	88.5%	80.4%
Woodcrest at	83	21,488	25,142	28,752	+34%	84.1%	83%	94.9%
Blakeford								
Total	2,658	824,222	848,609	799,928	-2.9%	84.4%	88.0%	87.9%

Source: Tennessee Department of Health, Division of Health Statistics, Joint Annual Reports

The following table of the Davidson County Nursing home inventory and average daily census for 2011 indicates the following:

- Medicare Skilled ADC was 340 or 13.6% of all licensed beds
- Medicaid Skilled ADC was 105 or 4.2% of all licensed beds
- Other Payor Skilled ADC was 61 or 2.4% of licensed beds
- Medicaid Non-Skilled ADC was 1,222 or 49% of licensed beds
- Other Payor Non-Skilled ADC was 465 or 18.6% of licensed beds.

^{*}Imperial Gardens not included in 2011 occupancy percentages

Inventory & Ave. Daily Census of Davidson Co. Nursing

Homes 2011

Licensed Beds	*Medicare- certified beds	SNF Medicare ADC	SNF Medicaid ADC	SNF All Other Payors ADC	Non- Skilled Medicaid ADC	Non- skilled All Other Payors ADC	Total ADC	Licensed Occupancy
2,493	1,641	340	105	61	1,222	465	2,193	87.9%

^{*} Includes dually-certified beds

Projected Utilization

The Health Center of Hermitage Projected Utilization

Year	Licensed Beds	*Medicare- certified beds	SNF Medicare ADC	SNF Medicaid ADC	SNF All other Payors ADC	Non- Skilled ADC	Total ADC	Licensed Occupancy
2017	90	90	7.1	0	5.0	12.0	23.99	26.6%
2018		90	20.7	0	17.7	35.4	70.76	78.6%

^{*} Includes dually-certified beds

- The above table projects the licensed occupancy will increase from 26.6 % in 2017 to 78.6 in 2018.
- In 2018 on average the 90 Medicare skilled beds will contain 21 Medicare skilled patient, 18 Other skilled patients, and 36 non-skilled patients.

Utilization is projected to increase as a result of the following:

- NHC relationship with Tri-Star Hospital Summit
- Close ties with Downtown Nashville Hospitals
- Community ties with area churches and several hospice companies
- Longstanding relationships with independent living and assisted living facilities within a 10-15 miles radius of the proposed location
- The location of the proposed site to Interstate 40

Project Cost

Major costs are:

Construction-

\$12,131,100 or 60.2% of total cost

Preparation of Site-

\$2,574,600 or 12.8% of total cost

Acquisition of Site-

\$1,530,000 or 7.6% of total cost

For other details on Project Cost, see the Project Cost Chart on page 77 of the application

The construction cost is \$172.00 per square foot. As reflected in the table below, the construction cost is between the median of \$167.31 per square foot and the 3rd quartile of \$181.72 per square foot of statewide nursing home construction projects from 2010 to 2012. The construction cost for this project is similar to the construction cost projected for Health Center of Nashville, LLC, CN1107-024, of approximately \$167.00 per square foot, which is right at the median.

Statewide
Nursing Home Construction Cost Per Square Foot
Years 2010-2012

	Renovated	New Construction	Total construction
	Construction		
1st Quartile	\$19.30/sq. ft.	\$164.57/sq. ft.	\$73.23/sq. ft.
Median	\$35.76/sq. ft.	\$167.31/sq. ft.	\$166.57/sq. ft.
3rd Quartile	\$55.00/sq. ft.	\$181.72/sq. ft.	\$167.61/sq. ft.

Source: HSDA Applicant's Toolbox

A letter dated May 28, 2013 from the architectural firm Johnson and Bailey Architects, P.C. indicates the proposed nursing home will be constructed to comply with all applicable building and life safety codes and to the requirements specified in the latest editions of the Guidelines for the Design and Construction of Health Care Facilities.

Historical Data Chart

Not applicable. The application is for a new nursing home.

Projected Data Chart

The applicant projects \$4,693,023.00 in total gross revenue on 8,749 patient days during the first year of operation and \$14,462,962 on 25,829 patient days in Year Two (approximately \$560.00 per day). The Projected Data Chart reflects the following:

- Net operating income less capital expenditures for the applicant will equal (\$2,099,542) in Year One increasing to \$65,113 in Year Two.
- Net operating revenue after bad debt, charity care, and contractual adjustments is expected to reach \$4,294,945 or approximately 29.7% of total gross revenue in Year Two.
- Charity care at approximately .04% of total gross revenue in Year One and in Year Two equaling to \$2,037 and \$6,242, respectively.
- Charity Care calculates to 5.4 days per year in Year One

Charges

In Year One of the proposed project, the average patient daily charges are as follows:

- The proposed average gross per diem charge is \$536.40/day in 2017
- The average deduction is \$155.65/case, producing an average net per diem charge of \$381/day.

Medicare/TennCare Payor Mix

- Medicare- Charges will equal \$1,266,251 in Year One representing 38% of total gross revenue
- Medicare Part B- Charges will equal \$44,264 in Year One representing 1.3% of total gross revenue

Financing

A June 11, 2013 letter from Donald K. Daniel, NHC Senior Vice President and Controller confirms the availability of cash reserves and cash equivalents in the amount of \$66,000,000 to fund the \$20,142,000 proposed project.

NHC's unaudited financial statements for the period ending March 31, 2013 indicates \$73,839,000 in cash and cash equivalents, total current assets of \$440,686,000, total current liabilities of \$237,589,000 and a current ratio of 1.85:1.

Current ratio is a measure of liquidity and is the ratio of current assets to current liabilities which measures the ability of an entity to cover its current liabilities with its existing current assets. A ratio of 1:1 would be required to have the minimum amount of assets needed to cover current liabilities.

Staffing

The applicant's proposed direct patient care staffing in Year Two includes the following:

- 8.40 FTE Registered Nurses and
- 5.60 FTE LPN's and
- 32.20 FTE Aides and
- 1.0 FTE Director of Nursing and
- 1.0 FTE Associate Director of Nursing and
- 1.0 FTE Activities Dept. Head and
- 1.0 Social Services Dept. Head and
- 2.0 FTE Social Services Staff

Licensure/Accreditation

The Health Center of Hermitage will be licensed by the State of Tennessee and certified by Medicare.

Corporate documentation, real estate lease, and detailed demographic information are on file at the Agency office and will be available at the Agency meeting.

Should the Agency vote to approve this project, the CON would expire in **two** years.

CERTIFICATE OF NEED INFORMATION FOR THE APPLICANT

There are no other Letters of Intent, denied or pending applications, or outstanding Certificates of Need for this applicant.

National Healthcare Corporation, LLC has a financial interest in this project and the following:

Outstanding Certificates of Need:

NHC at Indian Path, LLC, CN1212-059A, has an outstanding certificate of need that will expire on July 1, 2015. The CON was approved at the May 22, 2013 Agency meeting for the replacement and relocation of the twenty-two (22) bed Indian Path Medical Center Transitional Care Unit and the addition of thirty (30) new Medicare certified skilled nursing home beds. The facility will relocate from Indian Path Medical Center at 2000 Brookside Drive to 2300 Pavilion Drive, Kingsport (Sullivan County), TN. The new facility will be licensed as NHC at Indian Path and will contain fifty-two (52) Medicare-only (skilled) nursing home beds. The estimated project cost is \$10,385,615.00. Project Status: The project was recently approved.

The Health Center of Nashville, LLC, CN1107-024AM, has an outstanding certificate of need that will expire on November 1, 2014. The CON was approved at the September 28, 2011 Agency meeting for the change of site and relocation of CN1002-007A for the construction of a 150 bed nursing home from 2816 Old Hickory Boulevard, Nashville (Davidson County), TN to an unaddressed site at the intersection of HWY 100 and. Pasquo Road, Nashville (Davidson County), TN. The distance from the previously approved site to the new site is 4.1 miles or nine (9) minutes travel time. The applicant proposes to certify 75 of the beds as Medicaid only and 75 beds as dually certified Medicaid/Medicare. The estimated project cost is \$23,894,100.00. Project Status: This applicant has filed a request to modify this CON, scheduled to be heard as a General Counsel's Report item at the September 25, 2013 Agency meeting. The request is for an eighteen (18) month extension of the expiration date from November 1, 2014 to May 1, 2016 and upon approval of CN1306-022, for project modifications of CN1107-024A by the following: 1) reduction of the 150 approved beds to 90 beds (all to be private rooms not 38 private, 41 companion suites and 15 semi-private); 2) decrease the project cost by \$2,381,950 from \$23,894,100 to \$21,512,150; 3) increase the therapy gym to support the

post-acute rehabilitation services by 2,500 SF from 2,300 SF to 4,800 SF; and 4) to include 3,400 SF of shelled space for potential future growth.

NHC Healthcare-Sumner, LLC, CN1108-029, has an outstanding certificate of need that will expire on December 1, 2014. The CON was approved at the October 26, 2011 Agency meeting for the relocation of two previously approved Certificate of Need projects for 1) a sixty-two (62) bed Medicare certified nursing home project issued as CN0702-014AE and 2) the addition of thirty (30) new Medicare certified nursing home beds granted as CN0808-057AE for a project total of ninety-two (92) bed nursing home located on Nashville Pike (Hwy 31E) near Kennesaw Blvd.(on Parcels 22.01 and 24.04 on Sumner County Property tax Map 1.36, Gallatin, TN 37066). The ninety-two (92) beds will be certified as Medicare—only nursing home beds. The estimated project cost is \$17,902,991.00. Project Status: A status report dated August 28, 2013 indicates NHC will begin site preparation in September 2013.

NHC Healthcare Tullahoma, CN1007-030A, has an outstanding certificate of need that will expire on December 1, 2013. The CON was approved at the October 27, 2010 Agency meeting for the relocation of CN0807-050A comprised of sixty (60) nursing home beds, and the addition of thirty (30) new Medicare certified nursing home beds for a total of ninety (90) nursing home beds from 30 Powers Ridge Road, Manchester (Coffee County), TN to a yet to be addressed site at Cedar Lane and Seventh Street, Tullahoma (Coffee County), TN. The additional thirty (30) nursing home beds are subject to the 125 bed Nursing Home Bed Pool for the July 2010 to June 2011 state fiscal year period. The estimated project cost is \$14,449,438. Project Status: According to a status report dated August 28, 2013 the project is under construction and nearing completion.

CERTIFICATE OF NEED INFORMATION FOR OTHER SERVICE AREA FACILITIES:

There are no Letters of Intent, denied applications, or pending applications for other health care organizations in the service area proposing this type of service.

Outstanding Certificates of Need

LP Nashville II, LLC, CN1304-012, has an outstanding Certificate of Need, which will expire August 1, 2015. The CON was heard at the June 26, 2013 Agency meeting for the cost overrun of \$4,010,000 of previously approved CON CN1009-044A due to the complications associated with implementing the CON. The project cost increased from \$13,360,741 to \$17,370,741. The estimated project cost is \$4,010,000.00. Project Status: The project was recently approved.

McKendree Village, CN1303-007, has an outstanding Certificate of Need, which will expire on August 1, 2015. The CON was heard at the June 26, 2013 Agency meeting for

the renovation, construction, and partial repositioning of fifty (50) existing dually certified nursing home beds in addition to the modification of CN1202-010A approved for thirty (30) dually certified nursing home beds. The nursing home's licensed bed complement of one hundred eighty (180) beds after implementation of CN1202-010A will not change. The estimated project cost is \$3,808,150.00. Project Status: The project was recently approved.

McKendree Village, CN1202-010A, has an outstanding Certificate of Need, which will expire on July 1, 2014. The CON was approved at the May 23, 2012 Agency meeting for the addition of 30 Medicare skilled beds to its 150 bed nursing home, resulting in a 180 bed nursing home in which all beds will be dually certified for Medicare and Medicaid. The additional 30 private nursing home beds will be located in 16,000 square feet on the upper level of an existing wing of the facility known as 2-North. This area formerly housed 50 beds in 20 private rooms and 15 dual-occupancy rooms. The estimated project cost is \$1,303,000.00. Project Status: The applicant has requested that CN1202-010A be modified to reflect the construction project described in CN1303-007including the extension of the expiration date concurrent with this project.

PLEASE REFER TO THE REPORT BY THE DEPARTMENT OF HEALTH, DIVISION OF HEALTH STATISTICS, FOR A DETAILED ANALYSIS OF THE STATUTORY CRITERIA OF NEED, ECONOMIC FEASIBILITY, AND CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE IN THE AREA FOR THIS PROJECT. THAT REPORT IS ATTACHED TO THIS SUMMARY IMMEDIATELY FOLLOWING THE COLOR DIVIDER PAGE.

PME 9/6//2013

NURSING HOME BED POOL STATS

July 1, 2012 – June 30, 2013 125 BED POOL

NH BEDS APPROVED

60 NURSING HOME BEDS

NH BEDS PENDING

30 NURSING HOME BEDS

SWING BEDS APPROVED

6 SWING BEDS

SWING BEDS PENDING

0 SWING BEDS

TOTAL BEDS DENIED/WITHDRAWN

30 BEDS

SUBTOTAL -- BEDS REQUESTED
TOTAL BEDS AVAILABLE FROM POOL

59 BEDS

126 BEDS

(TOTAL PENDING REDS)

(30 BEDS)

160	(TC	TAL PENDING B	EDS)		(30 BEDS)
COUNTY	PROJECT NUMBER	FACILITY	PROJECT DISPOSITION	MEETIN G DATE	DESCRIPTION
Hamilton	CN1207-032	Shallowford Healthcare, LLC	WITHDRAWN	11/14/2013 12/12/2012	The establishment of a thirty (30)* skilled bed nursing home (subject to the 2012-2013 Nursing Home Bed Pool). This is the second of two (2) applications, both for thirty (30)* skilled nursing home beds—the first application, CN1206-028 (subject to the 2011-2012 Nursing Home Bed Pool). The applicant plans to eventually operate a sixty (60) bed facility. There is no major medical equipment involved with this project. No other health services will be initiated or discontinued.
Fentress	CN1211-055	HMA Fentress County Hospital, LLC d/b/a Jamestown Regional Medical Center	APPROVED	2/27/2013	The conversion of six (6) existing acute care hospital beds to swing beds. The initiation of the swing bed service will not affect the licensing bed complement of the hospital. No other services will be initiated or discontinued, and no major medical equipment is requested. No facility renovations are required for this project.
Sullivan	CN1212-059	NHC at Indian Path, LLC	APPROVED	3/27/2013 5/22/2013	The replacement and relocation of the twenty-two (22) bed Indian Path Medical Center Transitional Care Unit and the addition of thirty (30) new Medicare certified skilled nursing home beds. The facility will relocate from Indian Path Medical Center at 2000 Brookside Drive to 2300 Pavilion Drive, Kingsport (Sullivan County), TN. The new facility will be licensed as NHC at Indian Path and will contain fifty-two (52) Medicare-only (skilled) nursing home beds.

Shelby	CN1303-008	The Farms at Bailey Station Skilled Nursing Facility	APPROVED	6/26/2013	The establishment of a skilled nursing facility consisting of thirty (30)* Medicare certified skilled nursing beds to be part of a continuing care retirement community (CCRC).
Davidson	CN1306-022	The Health Center of Hermitage	PENDING	9/25/2013	The relocation of 60 of the 150 nursing home beds approved but unimplemented from CN1107-024A and the addition of 30 new Medicare-certified skilled nursing home beds for a total 90 Medicare-certified skilled bed nursing home.

LETTER OF INTENT



2013 JUN 10 AM 9: 04

LETTER OF INTENT TENNESSEE HEALTH SERVICES AND DEVELOPMENT AGENCY

	published in the	Tennessean	which is a nev	wspaper
		(Name of Newspaper)	90	
of general circulation in	Davidson	, Tennessee, on or before_	June 10	, 20 <u>_13_</u> ,
	(County)		(Month / day)	(Year)
for one day.				
=======================================		=======================================		
This is to provide official notice	to the Health Service	es and Development Agency and	d all interested part	ies, in accordance
with T.C.A. § 68-11-1601 et seq.				
The Health Center of He			Nursing Home)
(Name of Applicant)	mago	(Fac	cility Type-Existing)	
Dis.	lar af Harmilana 117	with an augustahin type of	Limited Liebilit	v Company
owned by: The Health Cent	er of Hermitage, LLC	with an ownership type of _	Limited Liabilit	ificate of Need
and to be managed by: The l	Health Center of Her	mitage, LLC intends to file an ap	oplication for a Cert	of 20 now skills
		beds authorized by CN1107-24		
beds for a total of 90 nursing h	ome beas to be co	nstructed and called The Healt	n Center of Hermit	age. The rieatu
Center of Hermitage will be ce	ertified for Medicare	participation. The CON proj	ect will be located	lalong Bell Road
approximately 2 miles south of it				
is on the west side of Bell Road	approximately 436 ya	ards south of Woodland Point Di	rive and 600 yards	north of Couchville
Pike. The site is 13 acres with	650 feet of frontage	in Nashville, (Davidson County), Tennessee. The	estimated project
costs is \$20,142,000. The proje	ct is being filed acco	ording to Tennessee Code Ann	otated, Title 68, Ch	napter 11, Part 16
and/or House bill No. 2632, relati	ive to the qualified pa	artial relocation of certain nursing	home facilities	`
The anticipated date of filing the	annlication is:	June 14 20 13		
·				Mark William
The contact person for this project	ct is <u>Bruce K. Du</u>		Assistant Vice	
	ii ii	(Contact Name)		(Title)
who may be reached at:	National HealthCare	Corporation 100 Vine, S	treet, 12 th Floor	
	(Company Name)	(Addres		
Mustraaabara	Tonnacco	37130	615 / 890-2	020
Murfreesboro (City)	Tennessee (State)	(Zip Code)	(Area Code / Pho	
(Oily)) (State)	(Zip Gode)	(/110000077710	no manibor,
m/1)				
		6/6/13	Bduncan@nh	
(Signature))	(Date)		(E-mail Address)

The Frost Building, Third Floor
161 Rosa L. Parks Boulevard
Nashville, Tennessee 37243

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

Copy Application

The Health Center of Hermitage

CN1306-022

CERTIFICATE OF NEED APPLICATION

APPLICANT:

THE HEALTH CENTER OF HERMITAGE, LLC

AUTHORIZED

REPRESENTATIVE:

BRUCE K. DUNCAN

NATIONAL HEALTHCARE CORPORATION

100 VINE STREET, 12TH FLOOR MURFREESBORO, TN 37130

615-890-2020

PROJECT:

Change of Site/Relocation of 60 of the 150 Bed's approved by CN1107-24A from Hwy 100 and Pasquo Road, Nashville, (Davidson Co.), TN to a site located along Bell Road approximately 2 miles south of its intersection with I-40. The undeveloped property does not have an address. Its location is on the west side of Bell Road approximately 436 yards south of Woodland Point Drive and 600 yards north of Couchville Pike. The site is 13 acres with 650 feet of frontage in Nashville, (Davidson County), Tennessee. The project is to be called. The Health Center of Hermitage and will be certified for the Medicare participation. The project is also requesting 30 Additional Skilled Nursing Home Beds making the total project a 90 bed nursing home The project is being filed according to Tennessee Code Annotated, Title 68, Chapter 11, Part 16, and/or House bill No. 2632, relative to the qualified partial relocation of certain nursing home facilities. The project is also requesting 30 of the 125 bed nursing home need pool for plan year 2012-2013.

Submitted to the State of Tennessee Health Services & Development Agency 161 Rosa L Parks Blvd., 3rd Floor Nashville, TN 37243

June 14, 2013

SECTION A:

1.	Name of Facility, Agency, or Institution		
	The Health Center of Hermitage Name		
	An unaddressed site on the west side Point Dr and 600 yards north of Couchvil Street or Route		approximately 436 yards south of Woodland Davidson County
	Nashville City	<u>Tenness</u> State	see 37201 Zip Code
2.	Contact Person Available for Responses	to Questions	<u>s</u>
	Bruce K. Duncan Name		Assistant Vice President Title
	National HealthCare Corporation Company Name		bduncan@nhccare.com Email address
		<u>irfreesboro</u> City	TN 37130 State Zip Code
	Employee Association with Owner	615-890- Phone No	
3.	Owner of the Facility, Agency or Instituti	<u>on</u>	12 Table 10
	The Health Center of Hermitage, LLC Name		615-890-2020 Phone Number
	100 Vine Street Street or Route		Rutherford County
	Murfreesboro Te City Sta	nnessee ate	37130 Zip Code
4.	Type of Ownership of Control (Check On	e)	
	A. Sole Proprietorship B. Partnership C. Limited Partnership D. Corporation (For Profit) E. Corporation (Not-for-Profit)	F. G. H.	Limited Liability Company

PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.

The Health Center of Hermitage, LLC has one (1) member, NHC/OP, L.P. NHC/OP, L.P. owns 100% of The Health Center of Hermitage, LLC. NHC/OP, L.P. also owns 100% in other nursing facilities in various states. Please see Attachment "Section A, Applicant Profile - 4 Type of Ownership or Control" located at the end of the CON application on page 2 for a copy of the Articles of Organization, Certificate of Existence, Organization Chart and Listing of Other Nursing Facilities owned by NHC/OP, L.P.

5.	Name of Management/Operating Ent	<u>'ity (</u> If Applica	ble)		
	Not Applicable				
	Name				
	Street or Route			County	
	City	State	Э	Zip Code	
	PUT ALL ATTACHMENTS AT THE E APPLICABLE ITEM NUMBER ON ALL	END OF THE ALL ATTACHME	APPL NTS.	ICATION IN ORDER AND REFERE	NCE THE
6.	Legal Interest in the Site of the Instit	ution (Check	One)		
	A. OwnershipB. Option to PurchaseC. Lease of Years	x	D. E.	Option to Lease Other (Specify)	
	PUT ALL ATTACHMENTS AT THE BA	ACK OF THE - ATTACHMEI	APPL NTS.	ICATION IN ORDER AND REFERE	NCE THE
	Please see Attachment "Section A, A end of the CON application on page of	pplicant Profi 12.		Legal Interest in the Site" located a	it the
7.	Type of Institution (Check as approp	oriatemore th	nan oi	ne response may apply)	
	 A. Hospital (Specify)	nal	I. J. K. L. M. N. O. P.	Nursing Home Outpatient Diagnostic Center Recuperation Center Rehabilitation Facility Residential Hospice Non-Residential Methadone Facility Birthing Center Other Outpatient Facility (Specify) Other (Specify)	<u>X</u>
8.	Purpose of Review (Check) as approp				
¥	 A. New Institution B. Replacement/Existing Facility C. Modification/Existing Facility D. Initiation of Health Care Service as defined in TCA § 68-11-1607(4) (Specify)	<u>X</u>	H.	Change in Bed Complement [Please note the type of change by underlining the appropriate response: Increase, Decrease, Designation, Distribution, Conversion, Relocation]	X_
	E. Discontinuance of OB ServicesF. Acquisition of EquipmentG.		l _e J _e	Change of Location Other (Specify)	x

		ase indicate current and proposed distribution	iii aira oorai		o. 120111ty .	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
			Current B Licensed		Staffed Beds	Beds Proposed	TOTAL Beds at Completion
	A.	Medical	-				7
	B.	Surgical				•	8
	C.	Long-Term Care Hospital					12
	D.	Obstetrical				-	
	E.	ICU/CCU					
	F.	Neonatal					
	G.	Pediatric					
	H.	Adult Psychiatric					
	l.	Geriatric Psychiatric				-	-
	J.	Child/Adolescent Psychiatric					
	K.	Rehabilitation					
	L.	Nursing Facility (non-Medicaid Certified)	<u></u>				
	M.	Nursing Facility Level 1 (Medicaid only)					
	N.	Nursing Facility Level 2 (Medicare only)		60		30	90
	Ο.	Nursing Facility Level 2 (dually certified Medicaid/Medicare)					
	P.	ICF/MR				•	•
	Q.	Adult Chemical Dependency				-	
	R.	Child and Adolescent Chemical Dependency					
		Swing Beds	-				
	S.	Mental Health Residential Treatment					
	T.	Residential Hospice			-	-	
	U.	TOTAL	-				s
				<u>60</u>		30	90*_
		*Relocation of 60 of the 150 beds					
		approved by CN1107-24A					
10.		Medicare Provider Number	applied for			_	
		Certification TypeNursin	g Home			_	
11.			plicable				
		Certification Type	,				

13. Identify all TennCare Managed Care Organizations/Behavioral Health Organizations (MCOs/BHOs) operating in the proposed service area. Will this project involve the treatment of TennCare participants? Yes If the response to this item is yes, please identify all MCOs/BHOs with which the applicant has contracted or plans to contract.

Discuss any out-of-network relationships in place with MCOs/BHOs in the area.

The Health Center of Hermitage will seek contracts with the following:

Aetna Health Care Blue Advantage BlueCover TN Blue Cross Blue Shield Network Cariten **CCN Managed Care** Champva Cigna Health Care of TN CompPlus HealthNet HealthSpring Humana The Initial Group John Deere Health Care National Preferred Provider Signature Health Alliance TriCare United Health of TN Vanderbilt Health Plans Windsor

Tenncare MCO's

Amerigroup United Healthcare TennCare Select NOTE:

Section B is intended to give the applicant an opportunity to describe the project and to discuss the need that the applicant sees for the project. Section C addresses how the project relates to the Certificate of Need criteria of Need, Economic Feasibility, and the Contribution to the Orderly Development of Health Care. Discussions on how the application relates to the criteria should not take place in this section unless otherwise specified.

SECTION B: PROJECT DESCRIPTION

Please answer all questions on 8 1/2" x 11" white paper, clearly typed and spaced, identified correctly and in the correct sequence. In answering, please type the question and the response. All exhibits and tables must be attached to the end of the application in correct sequence identifying the questions(s) to which they refer. If a particular question does not apply to your project, indicate "Not Applicable (NA)" after that question.

I. Provide a brief executive summary of the project not to exceed two pages. Topics to be included in the executive summary are a brief description of proposed services and equipment, ownership structure, service area, need, existing resources, project cost, funding, financial feasibility and staffing.

Proposed Services & Equipment: Change of Site/Relocation of 60 of the 150 beds approved by CN1107-24A plus the addition of 30 new skilled beds for the construction of a 90 bed nursing home. The proposed project will be known as The Health Center of Hermitage.

Ownership Structure: The Health Center of Hermitage, LLC (Limited Liability Company)

Service Area: Davidson County

Need: Based on the Skilled Bed Need methodology found in the Guidelines for Growth 2000, there is a need for an additional 498 nursing home beds in Davidson County projected for 2015. The proposed project is requesting 30 new beds in Davidson County along with moving 60 beds previously approved as replacement and relocation as part of CN1107-24A. The 125 bed pool which is effective July 1, 2012 through June 30, 2013 would be reduced by 30 beds if this project were approved.

Existing Resources: Change of Site/Relocation of 60 of the 150 beds authorized by CN1107-24A. The proposal also request 30 additional skilled beds for a project totaling a 90 bed nursing home. NHC has extensive operating experience in Davidson County, Nashville since 1975, and will use that resource to help staff and attract patients.

Project Cost: \$20,142,000

Funding: The project will be funded along with working capital, from NHC's cash on hand,

Financial Feasibility: The Projected Data Chart demonstrates the project is financially

feasible by year two with positive net operating income less capital

expenditures.

5.30 Direct Hours of Nursing per day (Year 1) Staffing:

4.04 Direct Hours of Nursing per day (Year 2)

- II. Provide a detailed narrative of the project by addressing the following items as they relate to the proposal.
 - A. Describe the construction, modification and/or renovation of the facility (exclusive of major medical equipment covered by T.C.A. § 68-11-1601 et seq.) including square footage, major operational areas, room configuration, etc. Applicants with hospital projects (construction cost in excess of \$5 million) and other facility projects (construction cost in excess of \$2 million) should complete the Square Footage and Cost per Square Footage Chart. Utilizing the attached Chart, applicants with hospital projects should complete Parts A.-E. by identifying as applicable nursing units, ancillary areas, and support areas affected by this project. Provide the location of the unit/service within the existing facility along with current square footage, where, if any, the unit/service will relocate temporarily during construction and renovation, and then the location of the unit/service with proposed square footage. The total cost per square foot should provide a breakout between new construction and renovation cost per square foot. Other facility projects need only complete Parts B.-E. Please also discuss and justify the cost per square foot for this project.

If the project involves none of the above, describe the development of the proposal.

The Health Center of Hermitage, LLC ("NHC") is applying for a Certificate of Need ("CON") to relocate its 90 nursing home bed CN1107-24A. Please see the attached CN1107-24A included in the Attachment "Section III, Contribution of Orderly Development – 7b" on page 134 at the end of the application.

The project would take 60 beds from the existing 150 bed CON currently located at the intersection of Hwy 100 and Pasquo Road in the Bellevue, Tennessee area. The project will be part of a master planned residential and commercial development that is designed to accentuate the character of the Natchez Trace area.

Factors that influenced our decision to make this site change include but are not limited to:

1) The lack of nursing home beds and the needs in the Hermitage area of Davidson County as compared to the existing site, and 2) The ability to address the specific needs of a different acute care system in a different area of Davidson County.

The CON project will be located along Bell Road approximately 2 miles south of its intersection with I-40. The undeveloped property does not have an address. It's location is on the west side of Bell Road approximately 436 yards south of Woodland Point Drive and 600 yards north of Couchville Pike. The site is 13 acres with 650 feet of frontage. The building zone for the site is on top of the bluff. The building will sit 50 feet above Bell Road with direct access via a private drive with an entrance off Bell Road.

This location is very close to Percy Priest Lake and Hamilton Creek Park. The park like nature of the site and surrounding area will provide a quiet, serene setting for the patients. The outdoor amenities provided will be able to be appreciated without urban distractions (noise, visual pollution, etc.)

The site is currently zoned for residential (R-15) and will require re zoning to allow our use. There is precedence for re zoning and higher intensity uses in this area as our sellers were able to amend its PUD for the property directly across the street to eliminate retail and increase the multifamily density from 170 dwelling units to 452 units. The rezoning process for the CON site will take approximately 3-5 months.

The seller is obligated to bring utilities to the site. Utilities are in Bell Road but they must be extended from their current termination point at Woodland Point to the site. The engineering for the extension of utilities is already underway to support the development of the previously mentioned multifamily project that will be located opposite the NHC site on Bell Road. The sellers are obligated to bring utilities to the CON at their expense.

NHC has added approximately six (6) months to the development timetable to work through the engineering, utilities service, and re zoning issues.

The new proposed nursing facility will be a single story structure which has been designed to meet all current Life Safety Codes. The center will contain 70,054 square feet and have many ancillary patient areas for center operations such as kitchen, therapy suite for physical, speech and occupational therapies, laundry and administrative offices. The center will have 72 private rooms, 4 companion rooms/private rooms with shared baths, and 5 semi-private rooms. The center will also include dining and activity rooms and central bathing. Full ancillary areas to be constructed include Physical, Speech, Occupational Therapy, Laundry, Activity rooms and Dining Rooms and administrative offices. The center has been designed to provide state of the art care in a comfortable environment.

The Health Center of Hermitage should be granted the proposed CON for the following reasons: NHC has a long history of providing quality long term care services in Davidson County. The relocation of 60 beds from CN1107-24A and the addition of 30 new SNF beds will help local residents in need of long term care services to find them. The proposed project is financial feasible (see proforma projections), and lastly, it promotes the orderly development of the existing health care system in that it relocates existing approved beds to an area of need without adding as many new beds and capacity to the county and service area. The Health Center of Hermitage, LLC is also supported by the community

SERVICES:

- a. <u>Nursing Services</u>: Licensed (RN's and LPN's) and ancillary nursing personnel will serve patients and in emergencies, area residents. In recognizing the critical role qualified nursing assistants play in the care of patients, NHC has established a pilot program with levels of certified nurse assistants (CNA).
- b. <u>Rehabilitation Services</u>: The center will provide physical, occupational, speech and recreational therapy services according to physician's orders as part of a rehabilitation program. These services are also available to all residents of the service area (outpatient) as part of the applicant's continuum of care.
- c. <u>Dietary Services</u>: All special diet needs will be met and proper nourishment will be provided at all times. NHC has implemented (and is the only long-term health care chain to do so) an American Dietetic Association-approved Dietetic Internship program whereby dietitians are chosen to train in the three major areas of dietetics within the long-term health care setting: administrative, clinical and community dietetics with an emphasis on the treatment of geriatric nutritional problems. Internists also receive training in hospitals and community health centers. Upon graduation and completion of exams, they become licensed and certified dietitians. NHC's goal is to place an ADA Dietitian in each NHC facility.
- d. <u>Medical Director</u>: A local physician will be employed as medical director on a consulting basis and will be available to attend to needs of our nursing home patients.
- e. <u>Consultant Services</u>: Advice and instructions is sought from health care professionals, including dietitians, pharmacists, gerontologists, therapists, and social workers.
- f. <u>Housekeeping & Janitorial Services</u>: Housekeeping and janitorial services will be provided to insure that services are rendered to patients in a clean, attractive, well-maintained and comfortable atmosphere.
- g... <u>Laundry</u>: Clean linens will be furnished to all patients and personal laundry services are available at a nominal charge.
- h. <u>Patient Assessment Program</u>: A multi-disciplinary team of health professionals will systematically conduct medical care evaluations, admission and extended duration

review. The computerized patient assessment program of the applicant maintains patient-specific reports thereby enabling the professional staff to evaluate patient progress on a regular and comprehensive basis. Moreover, management can ensure the physician's orders are carried out in conformance with the highest standards of patient care. Detailed information is fed into the computer and analyzed monthly. This information shows each item of expense and need. The costs are then compared to expected standards and similar corporate facilities. A continuous effort is thus maintained in providing a first class nursing home at the lowest possible cost to the patient, his family and the state/federal government.

- i. <u>Discharge Planning</u>: A discharge planning coordinator will continuously monitor each patient's progress by individual contact and with the use of the patient assessment program in order to return the patient as soon as possible to the most independent living arrangements. This position is also responsible for some family support.
- j. Respite Care: The Health Center of Hermitage will also provide respite care based on bed availability. Respite care refers to providing nursing services to individuals in the community that are cared for in their home and whose families need a place to care for individuals for a short time while the family is away.
- k. <u>Sub-Acute Care</u>: The Health Center of Hermitage will provides Level II beds for heavy skilled patients which many centers currently can not take in any significant number due to physical plant limitations and staff training. The facility will be organized and staffed accordingly to meet the needs of these patients.

The Health Center of Hermitage will provide services to persons with decubiti ulcers, feeding tubes, catheters, tracheotomies, medical problems requiring IV's, or other persons requiring "sub-acute" care. It is the policy of The Health Center of Hermitage to make available heavy skilled nursing services to patients requiring such services. The project offers sub-acute services and does so with the expertise and knowledge to do them efficiently and effectively.

The Health Center of Hermitage will be able to care for sub-acute patients with its increased staffing. If demand for these "heavy skilled" or "sub-acute" care beds is greater than projected, additional staff, one of the main factors determining the number of sub-acute patients the facility can serve at any given time, is added to the staffing pattern.

- I. <u>Transportation</u>: The Health Center of Hermitage will provide non-medical transportation to and from locations in the county for patients and/or volunteers who need such a service.
- m. <u>Alzheimer/Dementia Care Unit</u>: The Health Center of Hermitage will have a specialized program for Alzheimer patients which will consists of a specially trained staff of RN's, LPN's, Aides, Activities and Social Worker. These individuals provide support to the Alzheimer patients and families.
- n. <u>Community Service</u> The Health Center of Hermitage will offers a number of Community Services such as health fairs and telephone reassurance for the local community.

B. Identify the number and type of beds increased, decreased, converted, relocated, designated, and/or redistributed by this application. Describe the reasons for change in bed allocations and describe the impact the bed change will have on the existing services.

The proposed project calls for the relocation of 60 of the 150 beds granted by CN1107-24A and the addition of 30 new SNF beds. The center will promote the orderly development of the health care system in that it moves existing beds and services previously utilized and well received by the Davidson County community and patients it served. The requested 30 beds are support by the current bed need formula used to determine need for SNF beds.

Factors that influenced our decision to make this site change include but are not limited to:

1) The lack of nursing home beds and the needs in the Hermitage area of Davidson County as compared to the existing site, and 2) The ability to address the specific needs of a different acute care system in a different area of Davidson County.

Please see chart documenting bed distribution in Davidson County as compared to CN1107-24A original site and new proposed site for the new center included in the Attachment "Section B, Project Description - II (B)" on page 22 at the end of the application.

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				Proposed		Proposed Final	Dranged Final			
A. Unit / Department	Existing	Existing	Temporary	Final	- <i>(</i> 7.	Square Footage	- a		rioposed rilial	
	Location	SF	Location	Location	Renovated	New	Total	Renovated	New St	LetoT
Admin						3,318	3,318		\$173.25	\$574 844
Kitchen						2,691	2,691		\$173.25	\$466,216
Employee Break						406	406	· · · · · · · · · · · · · · · · · · ·	\$173.25	\$70,340
Laundry						1,386	1,386	東京 は 海道 関	\$173.25	\$240,125
Storage/Central Supply						1,175	1,175		\$173.25	\$203,569
Housekeeping						303	303		\$173.25	\$52,495
Classroom						0	0	は一般などは、	\$173.25	\$0
Beauty/Barber						344	344		\$173.25	\$59,598
PT/OT/Speech						5,028	5,028		\$173.25	\$871,101
Nursing Support						2,874	2,874		\$173.25	\$497,921
Dining/Rec						5,935	5,935		\$173.25	\$1,028,239
Sun Porch						703	202	· · · · · · · · · · · · · · · · · · ·	\$173.25	\$121,785
Public/Staff Toilets						556	556		\$173.25	\$96,927
Patient Rms & Baths						26,027	26,027		\$173.25	\$4,509,178
									を	に用が落めている
									· · · · · · · · · · · · · · · · · · ·	
B. Unit/Depart. GSF Sub-Total		4				50,746	50,746		\$173.25	\$8,791,745
Maintenance Bldg						1,000	1,000	THE PERSON NAMED IN	\$94.50	\$94,500
C. Mechanical/ Electrical GSF						1,468	1,468		\$173.20	254,258
D. Circulation /Structure GSF						17,840	17,840		\$173.24	3.090,602
E. Total GSF				· · · · · · · · · · · · · · · · · · ·		71,054	71,054		\$172.14	\$12,231,104

- C. As the applicant, describe your need to provide the following health care services (if applicable to this application):
 - 1. Adult Psychiatric Services
 - 2. Alcohol and Drug Treatment for Adolescents (exceeding 28 days)
 - 3. Birthing Center
 - 4. Burn Units
 - 5. Cardiac Catheterization Services
 - Child and Adolescent Psychiatric Services
 - 7. Extracorporeal Lithotripsy
 - 8. Home Health Services
 - 9. Hospice Services
 - 10. Residential Hospice
 - 11. ICF/MR Services
 - 12. Long-term Care Services
 - 13. Magnetic Resonance Imaging (MRI)
 - 14. Mental Health Residential Treatment
 - 15. Neonatal Intensive Care Unit
 - 16. Non-Residential Methadone Treatment Centers
 - 17. Open Heart Surgery
 - 18. Positron Emission Tomography
 - 19. Radiation Therapy/Linear Accelerator
 - 20. Rehabilitation Services
 - 21. Swing Beds

The applicant is seeking approval to relocate 60 of the 150 beds approved by CN1107-24A, which was granted by HSDA to replace 150 existing nursing home beds in Davidson County. While NHC manages the continuum care retirement community known as Richland Place in Nashville, this CON will be NHC's second owned center in Davidson County. Davidson County is an important market to NHC and its operations and services to the citizens of Tennessee.

D. Describe the need to change location or replace an existing facility.

NHC is proposing to move 60 of its approved 150 beds granted by CN1107-24A and add an additional 30 beds for a new 90 bed center. Factors that influenced our decision to make this site change include but are not limited to: 1) The lack of nursing home beds and the needs in the new sites proposed area of Davidson County as compared to the existing site, and 2) The ability to address the specific needs of a different acute care system in a different area of Davidson County

- E. Describe the acquisition of any item of major medical equipment (as defined by the Agency Rules and the Statute) which exceeds a cost of \$1.5 million; and/or is a magnetic resonance imaging (MRI) scanner, positron emission tomography (PET) scanner, extracorporeal lithotripter and/or linear accelerator by responding to the following: **Not Applicable**
 - For fixed-site major medical equipment (not replacing existing equipment):
 - a. Describe the new equipment, including:
 - 1. Total cost ;(As defined by Agency Rule).
 - Expected useful life;
 - 3. List of clinical applications to be provided; and
 - 4. Documentation of FDA approval.
 - b. Provide current and proposed schedules of operations.
 - For mobile major medical equipment:
 - a. List all sites that will be served;
 - b. Provide current and/or proposed schedule of operations;

- c. Provide the lease or contract cost.
- d. Provide the fair market value of the equipment; and
- e. List the owner for the equipment.
- 3. Indicate applicant's legal interest in equipment (i.e., purchase, lease, etc.) In the case of equipment purchase include a quote and/or proposal from an equipment vendor, or in the case of an equipment lease provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments.

III. (A) Attach a copy of the plot plan of the site on an 8 1/2" x 11" sheet of white paper which <u>must</u> include:

Please see drawing included in the Attachment "Section B, Project Description - III (A) Plot Plan" on page 25 at the end of the application.

- 1. Size of site (in acres); 13 Acres
- 2. Location of structure on the site; and
- 3. Location of the proposed construction.
- 4. Names of streets, roads or highway that cross or border the site.

Please note that the drawings do not need to be drawn to scale. Plot plans are required for all projects.

(B) 1. Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.

The center will be located along Bell Road in between bus routes number nine (9 Stewarts Ferry and number five (5) Smith Springs in Nashville, TN. The center site is located on the Southeast side of town and is accessible to the major transportation routes of Davidson County.

Nashville Metropolitan Transit Authority (MTA) bus routes access the Bell road area of town

Please see map and bus schedule included in the Attachment "Section B, Project Description - III (B) Bus Schedule" on page 31 at the end of the application.

IV. Attach a floor plan drawing for the facility which includes legible labeling of patient care rooms (noting private or semi-private), ancillary areas, equipment areas, etc. on an 8 1/2" x 11" sheet of white paper.

NOTE: <u>DO NOT SUBMIT BLUEPRINTS</u>. Simple line drawings should be submitted and need not be drawn to scale.

Please see drawing included in the Attachment "Section B, Project Description - IV Floor Plan" on page 38 at the end of the application.

V. For a Home Health Agency or Hospice, identify:

Not Applicable

- Existing service area by County;
- Proposed service area by County;
- 3. A parent or primary service provider;
- Existing branches; and
- 5. Proposed branches.

SECTION C: GENERAL CRITERIA FOR CERTIFICA PLOF NEED

In accordance with Tennessee Code Annotated § 68-11-1609(b), "no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, and will contribute to the orderly development of health care." The three (3) criteria are further defined in Agency Rule 0720-4-.01. Further standards for guidance are provided in the state health plan (Guidelines for Growth), developed pursuant to Tennessee Code Annotated §68-11-1625.

The following questions are listed according to the three (3) criteria: (I) Need, (II) Economic Feasibility, and (III) Contribution to the Orderly Development of Health Care. Please respond to each question and provide underlying assumptions, data sources, and methodologies when appropriate. Please type each question and its response on an 8 1/2" x 11" white paper. All exhibits and tables must be attached to the end of the application in correct sequence identifying the question(s) to which they refer. If a question does not apply to your project, indicate "Not Applicable (NA)."

QUESTIONS

NEED

- 1. Describe the relationship of this proposal toward the implementation of the State Health Plan and Tennessee's Health: Guidelines for Growth.
 - a. Please provide a response to each criterion and standard in Certificate of Need Categories that are applicable to the proposed project. Do not provide responses to General Criteria and Standards (pages 6-9) here.
 - b. Applications that include a Change of Site for a health care institution, provide a response to General Criterion and Standards (4)(a-c)

Five Principles for Achieving Better Health

The following Five Principles for Achieving Better Health serve as the basic framework for the State Health Plan.

1. Healthy Lives

The purpose of the State Health Plan is to improve the health of Tennesseans.

While this principle focuses mainly on the goals and strategies that support health policies and programs at the individual, community, and state level that will help improve the health status of Tennesseans, this project is consistent in that is supports a continuum of care model where following an acute care stay patients would be able to receive intensive skilled nursing care and rehabilitative services at a stepped down cost from an acute care setting. The ultimate goal for all patients admitted is to return home to the least restrictive and least costly option available where the individual can live the healthiest life possible.

2. Access to Care

Every citizen should have reasonable access to health care.

NHC's healthcare model targets patients that are Medicare qualified beneficiaries seeking skilled nursing and rehabilitation services following a prior hospital stay. The majority of all patients placed in nursing homes from the acute care setting are Medicare beneficiaries. Since Medicare is a federal insurance program covering individuals age 65 and over, as well as disabled individuals below that age, access to long term care Medicare beds is a function of bed availability in the market. In Davidson County, the problem can exists for the acute care providers and their timely placement of Medicare nursing home patients to a qualified Medicare nursing home bed. The addition of the 30 requested Medicare beds will help to improve access to this level of care. Also, approval of the request will also help to alleviate extra patient days in acute care beds while waiting for a Medicare bed to become available, which is costly to the system and also creates access problems on the acute care side of the continuum as well.

3. Economic Efficiencies

The state's health care resources should be developed to address the needs of Tennesseans while encouraging competitive markets, economic efficiencies and the continued development of the state's health care system.

The proposed project speaks to the very heart of this principle at several levels. First, the project was developed in cooperation between NHC and area hospital systems, a long term care provider and acute care providers. As accountable care organizations (ACO) begin to develop, with an eye to economic efficiencies and competitive markets, the state's health care system will begin to reshape itself. Ultimately, the goal of ACO's is to better serve the needs of the patient which this project is designed to do. By assuring that the appropriate level of care and health care beds are available, when needed, the state's health care system will be able to keep cost to their lowest level possible by making sure patients utilize services at the lowest level and cost possible. NHC's average length of stay for this project is projected to be between 18 to 36 days in the SNF section, which is consistent both with NHC HealthCare, Hendersonville in Sumner County and the Health Center at Richland Place located in Davidson County TN.

4. Quality of Care

Every citizen should have confidence that the quality of health care is continually monitored and standards are adhered to by health care providers.

NHC as a Long term care provider is surveyed both at the State and Federal level. Through various sources, including the Medicare.gov website and the Nursing Home Compare data sets, consumers can now compare and research long term care providers, home care providers and acute care providers. NHC compares favorably both at the State level and the national level regarding these measurements. Please see NHC Survey Analysis table located in Attachment "Section C. General Criteria - 2.B." located on page 60 at the end of the application. The attached table reflects recent quality performance. In addition, NHC's quality outcome's is also why several big health care systems are discussing establishing ACO's with NHC operations across the State of Tennessee and country.

5. Health Care Workforce

The state should support the development, recruitment, and retention of a sufficient and quality health care workforce.

NHC is consistent with this principle and has a long outstanding history with developing, recruitment and retention of a quality health care workforce. NHC nonprofit, Foundation for Geriatric Education, since its inception in 1982, has funded over \$2,300,000 in books and academic programs for a qualified health care workforce. The company also has a tuition reimbursement program which has funded over \$6,000,000 millions of dollars for direct tuition for students. In addition, the company runs several of its own training programs to educate long term care health care workers such as a two year administrator in training program, a dietetic internship program, certified nursing assistant program, and advanced geriatric therapy program. NHC is also active in the federal workforce development system in locations across our markets and locally in the Middle Tennessee area with the Middle Tennessee Workforce Development Board for over ten years.

Please see the attachments, Section C, Need, Item I, Principles of the State Health Plan, pages 41-43, for back up tables to this section.

The following has been taken from the Tennessee's Health Guidelines for Growth, Criteria and Standards for Certificate of Need, 2000.

CONSTRUCTION, RENOVATION, EXPANSION, AND REPLACEMENT OF HEALTH CARE INSTITUTIONS

1. Any project that includes the addition of beds, services, or medical equipment will be reviewed under the standard for those specific activities.

So noted, this project request both the relocation of 60 unconstructed beds and expansion of 30 new SNF beds.

- 2. For relocation or replacement of an existing licensed health care institution.
 - a. The applicant should provide plans which include costs for both renovation and relocation, demonstrating the strengths and weaknesses of each alternative.

Not Applicable, this project is for the relocation of 60 of the 150 nursing home beds granted by CN1107-24A and the addition of 30 new SNF beds for a total of 90 nursing home beds. No alternative exists that would allow for renovation or replacement since the beds are not operational.

b. The applicant should demonstrate that there is an acceptable existing or projected future demand for the proposed project.

The facility is projected to open in 2016. If present legislation remains in place, as it has over the last several years, no new nursing homes will be constructed in Tennessee outside of the 125 bed pool or replacement of existing facilities. Population projections for Davidson County show the continued growth of the age groups who use long term care services. In addition, referral sources who seek admission to long term care centers for their patients can and have attested to the fact that The Health Center of Hermitage is needed to continue an adequate level and balance of continuity of care in Davidson County.

3. For renovation or expansion of an existing licensed health care institution:

Not Applicable, the proposal is for the relocation of unconstructed beds granted by an existing CON.

- a. The applicant should demonstrate that there is an acceptable existing demand for the proposed project.
- b. The applicant should demonstrate that the existing physical plant's condition warrants major renovation or expansion.

NURSING HOME SERVICES

Public Chapter No. 1112, Senate Bill No. 2463, which passed during the 1998 legislative session, amended and changed the code sections establishing the bed need formula that the Health Services and Development Agency must follow when granting certificates of need for nursing home beds in Tennessee. During the fiscal year (July 1 – June 30), the Agency shall issue no more than the designated number of Medicare skilled nursing facility beds for applicants filing for a certificate of need. The number of Medicare skilled nursing facility beds issued shall not exceed the allocated number of beds for each applicant. The applicant must also specify in the application the skilled services to be provided and how the applicant intends to provide such services.

The Tennessee General Assembly directed that there be a pool of 125 skilled nursing facility beds available for certificate of need approval in the fiscal year from July 1, 2009 to June 30, 2010. The General Assembly also directed that nursing home bed certificates of need could be issued only for Medicare – certified skilled nursing facility beds, and that no applicant receives more than 30 such beds.

A. Need

1. According to TCA 68-11-1622, the need for nursing home beds shall be determined by applying the following population-based statistical methodology:

County bed need = .0005 x pop. 65 and under, plus

.0120 x pop. 65 – 74 .0600 x pop. 75 – 84 .1500 x pop 85+

As stated above, Public Chapter No. 1112, Senate Bill No. 2463, amended and changed the code sections establishing the bed need formula that the Health Services and Development Agency must follow when granting certificates of need for nursing home beds in Tennessee. Based on the above referenced bed need methodology and a Nursing Facility Bed Need: Comparison of Tennessee's Health: Guidelines for Growth 2000 vs. Statute, By Total State and County 2000, there is a need in Davidson County of nursing home beds projected for 2013, or a need for an additional 498 beds in Davidson County. Please see Nursing Facility Bed Need Report located in Attachment "Section C. General Criteria - 1.A. Need" located on page 45 at the end of the application. This information, which is the most current available to the department, was provided and is included here for reference.

These projections demonstrate a need based on the population growth in Davidson County for nursing beds.

SNF Need Formula Davidson County Bed Need

2. The need for nursing home beds shall be projected two years into the future from the current year as calculated by the Department of Health.

Davidson County

County Bed Need	2015 Population		
Population 65 & under	537,904	0.0005	269
Population 65-74	43,630	0.012	524
Population 75-84	21,730	0.06	1,304
Population 85+	10,958	0.15	1,644
	614,222		3,741
	CON		180
	Existing Beds =		3,063
	Need =		498

Source: Office of Health Statistics, Bureau of Health Informatics, Tennessee Department of Health
Existing beds based on licensed beds, Licensed Health Facilities, TN
Department of Health 01/00/2013
CON bed number includes NHC's 150 bed CN CN1107-24A and McKendra
* 30 bed CON

So noted by the applicant. The bed need referenced in response to Question 1 is the projected two year to show the 2015 bed need. There is a net need for an additional 498 nursing beds, per this report, even after taking into account NHC's 150 bed CON. This application is requesting to relocate 60 of the 150 beds from a CON, and the addition of 30 beds for net increase of 30 new beds in Davidson County nursing home bed inventory.

3. The source of the current supply and utilization of licensed and CON approved nursing home beds shall be the inventory of nursing home beds maintained by the Department of Health.

So noted by the applicant. The following bed inventory was reported to the referenced agency for year ending 12/31/11 for Davidson County. In addition, there is an approved or outstanding CON's for 30 new nursing home beds in Davidson County, the remaining beds are replacement beds.

2011 Licensed Nursing Homes in Davidson County

Facility	<u>Beds</u>	% Occupancy
Belcourt Terrace	49	85.8%
Bethany Health Care Center	180	93.3%
Bordeaux Long Term Care	419	84.1%
Crestview Nursing Home	111	76.6%
Cumberland Manor	124	94.9%
Donelson Place Care & Rehab Center	124	81.0%
Good Samaritan Health & Rehab	110	85.5%
Grace Healthcare of Whites Creek	127	93.7%
Green Hills Health & Rehab Center	150	84.3%
Imperial Gardens Health & Rehab*	165	0.2%
Jackson Park Christian Home	28	84.0%
Kindred Nursing & Rehab - Madison	102	90.6%
Lakeshore Heartland	66	74.6%
McKendree Village	150	87.5%
Health Center at Richland Place	107	98.5%
The Meadows	113	100.4%
Trevecca Health Care Center	240	88.4%
Vanco Manor	90	96.3%
West Meade Place	120	80.4%
Woodcrest at Blakeford	83	94.9%
Total	2,658	82.5%
Less Imperial Gardens	-165	
Total	2,493	87.9%

Source: 2011 TN JAR Summary Reports, Schedule E - Beds 2011 JAR Reports, Schedule F Utilizations - Part 2, Resident Days of Care

In addition to NHC's CN1107-24A for 150 beds, there is one (1) other nursing home bed addition CON's outstanding in Davidson County for 30 beds.

Please see Attachment "Section C. General Criteria – 1.A.3 Inventory and Utilization" located on page 46 at the end of the application.

^{*} Imperial Gardens only reported 117 resident days of care for 2011.

^{*} Life Care Center of Hickory Woods (124 beds) was licensed on 10/25/11 and was not included in the analysis.

^{*} Life Care Center of Old Hickory Village (124 beds) was licensed on 5/3/12 and was not included in the analysis.

4. "Service area" shall mean the county or counties represented on an application as the reasonable area to which a health care institution intends to provide services and/or in which the majority of its service recipients reside. A majority of the population of a service area for any nursing home should reside within 30 minutes travel time from that facility.

Since the proposed project is utilized by the elderly population, those age 65 and above most frequently, and the elderly often have difficulty with transportation and travel, the primary service has been determined to be Davidson County. However, we do expect that some residents will come from outside our primary service area. Also of importance, is the fact that in urban cities such as Nashville, residents tend to stay close to home when it comes to utilizing their health care options. Nevertheless, we have confined our need justification to Davidson County where the majority of the population of the service area is within 30 minutes travel time from the proposed facility.

Please see Attachment "Section C General Criteria - A.4. Service Area JAR Report", on page 56 located at the end of the application that reflects nursing home resident information by county of residence for Davidson County.

- 5. The Health Services and Development Agency may consider approving new nursing home beds in excess of the need standard for a service area, but the following criteria must be considered:
 - a. All outstanding CON projects in the proposed service area resulting in a net increase in beds are licensed and in operation, and

The application is for relocation of 60 existing approved beds, along with the addition of 30 new beds to expand bed capacity to allow for a 90 bed facility. Other than the applicants subject CON referenced herein, there is currently one (1) other CON outstanding in Davidson County for the addition of 30 beds by McKendree Manor. Only the McKendree beds represent a net increase in beds to the Davidson County nursing home inventory.

b. All nursing homes that serve the same service area population as the applicant have an annualized occupancy in excess of 90%.

2011 Licensed Nursing Homes in Davidson County

Facility	<u>Beds</u>	% Occupancy
Belcourt Terrace	49	85.8%
Bethany Health Care Center	180	93.3%
Bordeaux Long Term Care	419	84.1%
Crestview Nursing Home	111	76.6%
Cumberland Manor	124	94.9%
Donelson Place Care & Rehab Center	124	81.0%
Good Samaritan Health & Rehab	110	85.5%
Grace Healthcare of Whites Creek	127	93.7%
Green Hills Health & Rehab Center	150	84.3%
Imperial Gardens Health & Rehab*	165	0.2%
Jackson Park Christian Home	28	84.0%
Kindred Nursing & Rehab - Madison	102	90.6%
Lakeshore Heartland	66	74.6%
McKendree Village	150	87.5%
Health Center at Richland Place	107	98.5%
The Meadows	113	100.4%
Trevecca Health Care Center	240	88.4%
Vanco Manor	90	96.3%
West Meade Place	120	80.4%
Woodcrest at Blakeford	83	94.9%
Total	2,658	82.5%
Less Imperial Gardens	-165	
Total	2,493	87.9%

Source: 2011 TN JAR Summary Reports, Schedule E - Beds 2011 JAR Reports, Schedule F Utilizations - Part 2, Resident Days of Care

The above table documents that according to the Joint Annual Reports for Nursing Homes in 2011, not all nursing homes in Davidson County had an annual occupancy of over 90%.

 ^{*} Imperial Gardens only reported 117 resident days of care for 2011.
 * Life Care Center of Hickory Woods (124 beds) was licensed on 10/25/11 and was not included in the analysis.

^{*} Life Care Center of Old Hickory Village (124 beds) was licensed on 5/3/12 and was not included in the analysis.

B. Occupancy and Size Standards:

1. A nursing home should maintain an average annual occupancy rate for all licensed beds of at least 90 percent after two years of operation.

The proposed project projects over a 90 percent annual occupancy rate for all licensed beds after two years of operation.

2. There shall be no additional nursing home beds approved for a service area unless each existing facility with 50 beds or more has achieved an average annual occupancy rate of 95 percent. The circumstances of any nursing home, which has been identified by the Regional Administrator, as consistently non-complying with quality assurance regulations shall be considered in determining the service areas, average occupancy rate.

Upon review of the attached charts sited below, it would seem to indicate that patients, families and doctors are selecting facilities, based on quality of care, or choosing to occupy centers which tend to have a lessor number of deficiencies and better Five Star ratings.

Please see Attachment "Section C. General Criteria – 2B" located on page 60 at the end of the application which shows the survey history of the nursing homes in Davidson County

3. A nursing home seeking approval to expand its bed capacity must have maintained an occupancy rate of 95 percent for the previous year.

Not Applicable, application is for relocation, and construction of a new facility.

4. A freestanding nursing home shall have a capacity of at least 30 beds in order to be approved. The Health Services and Development Agency may make an exception to this standard. A facility of less than 30 beds may be located in a sparsely populated rural area where the population is not sufficient to justify a larger facility. Also, a project may be developed in conjunction with a retirement center where only a limited number of beds are needed for the residents of that retirement center.

Not Applicable, application is for relocation, and addition of beds totaling a 90 bed capacity.

2. Describe the relationship of this project to the applicant facility's long-range development plans, if any.

At NHC, our company motto is Care is Our Business. NHC's long-range development plans for Davidson County is quite simple, to provide quality long-term care services to meet the needs of the citizens of Davidson County. Our goal is to once again provide the needed long-term services we have provided over the last 30 years to the residents of Davidson County.

3. Identify the proposed service area <u>and</u> justify the reasonableness of that proposed area. Submit a county level map including the State of Tennessee clearly marked to reflect the service area. Please submit the map on 8 1/2" x 11" sheet of white paper marked only with ink detectable by a standard photocopier (i.e., no highlighters, pencils, etc.).

The service area for this proposed project is Davidson County and specifically the East side of town. This is a reasonable area since nursing residents prefer not to leave their local communities. Please see the county level map in Attachment "Section C. General Criteria - 3 Service Area Map" located on page 64 at the end of the application. The continued growth in the population group aged 65 and above as documented support the continued need for and existence of high quality of care nursing home beds in Davidson County.

4. A. Describe the demographics of the population to be served by this proposal.

During the 20th century, the number of person in the United States under age 65 has tripled. At the same time, the number aged 65 and over has grown by a factor of 11. According to Census Bureau's projections, the elderly populations will more than double between 1995 and the year 2050, to 80 million. By that year, as many as 1 in 5 Americans could be elderly. In 2010, persons 65 and above represented 13.0% of the total population (Census 2010).

Perhaps more significant is the rapid growth expected in oldest old age group, which are more likely to need some form of nursing home care. Thanks to the arrival of the survivors of the baby boom generation, it is expected the oldest old will number 19 million in 2050. That would make them 22 percent of elderly Americans and 4.3 percent of all Americans. (U.S. Census, *The Next four Decades: The Older Population in the United States: 2010-2050*, 5/10).

Diagnostic Related Group (DRG) prospective payment for hospitals made a significant impact on the demand for nursing home services. The prospective payment system encourages hospitals to discharge their elderly patients to long term care facilities (Modern Healthcare, 1984). Nursing homes today still experience great demand to accommodate patients who are admitted sicker and require greater amounts of nursing care. Consequently, there exist a growing need for nursing facilities offering and providing high level and quality skilled care services (Level II). Since many of the local medical centers do not provide nursing home care, the responsibility to provide this level of service rest on local nursing home providers.

Davidson County's age 65 and over population grew by 7.6% from 2010 to 2013. According to the Census 2010 figures, Davidson County total population increased by 18,389 persons from 2010 to 2015 or 3.1% from 595,833 to 614,222 residents.

The age 65+ population in Davidson County is projected to increase from 67,373 to 76,318, from 2010 to 2015 respectively (Source: Office of Health Statistics, TN Dept of Health) The primary population to be served by the proposal is those over the age of 65. Please see Attachment "Section C – General Criteria – 4A Demographics of the Population Served" located on page 65 at the end of the application.

			Davidson Co	unty	
Age				2010 - 2013	2010 - 2015
_	2010	2013	2015	% Increase	% Increase
60 - 64	29,963	32,854	34,977	9.6%	16.7%
65-74	35,624	40,202	43,630	12.9%	22.5%
75-84	21,666	21,686	21,730	0.1%	0.3%
85+	10,083	10,598	10,958	5.1%	8.7%
65+	67,373	72,486	76,318	7.6%	13.3%
Total Population	595,833	605,923	614,222	1.7%	3.1%

Source: TN Department of Health, Office of Policy, Planning and Assessment, Division of Health Statistics

B. Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

The proposed project is accessible to all consumers, including women, racial and ethnic minorities, and low-income groups. The Health Center of Hermitage is proposing to relocate 60 beds of a 150 bed CON and add 30 new SNF beds in Davidson County in a new state of the art facility which will be certified for Medicare. The services proposed herein address special needs of the population which this center will serve. The services will be made readily available to each of the following:

- (a) Low income persons;
- (b) Racial and ethnic minorities;
- (c) Women;
- (d) Handicapped persons;
- (e) Elderly; and
- (f) Other underserved persons (e.g., "sub-acute" care patients discharged from hospitals and persons with dementia).

It is and will continue to be the centers policy to be readily accessible to low income persons, racial and ethnic minorities, women, handicapped persons, elderly, and other underserved persons.

Business Plan

TriStar Health and National HealthCare Corporation (NYSE MKT: NHC, NHC.PRA) in July of 2012 announced an alliance that aims to provide patients across Middle Tennessee with a continually higher level of care as they transition from hospitals to recovery.

"Our new alliance with National HealthCare Corporation (NHC) affirms our commitment to providing patients with the highest quality of care possible," said Dr. Doug Ardoin, chief medical officer at TriStar Health. "We are excited about the possibility of better accommodating our patients once they leave our facilities to ensure their conditions continue to improve."

TriStar Health and NHC believe that enhancing the quality of care provided to patients and facilitating the transition of patients between care settings will reduce the number of discharged patients who are readmitted to hospitals, especially those readmitted within 30 days of discharge. The organizations will work together to devise new practices and protocols not only to streamline the discharge process but also to help post-acute facilities, like skilled nursing facilities and home healthcare workers more effectively manage and treat conditions. Both organizations will develop integrated intervention strategies that will span the transition of patients' care from acute to post-acute care and vice versa.

"NHC is very excited about creating this quality alliance with TriStar Health. It affords the opportunity for one of the region's leading healthcare providers to work more closely with the leading skilled nursing provider in the state to promote high quality, seamless care for our patients," states Dr. Steve Flatt, President of NHC.

NHC employees will educate TriStar staff on post-acute care eligibility requirements while TriStar will educate NHC caregivers on hospital discharge procedures. Both organizations will also work on identifying new ways to enhance post-acute care for patients. Clinical and quality measurements will be developed to assess the alliance's success, and patient choice will be honored in all cases.

NHC affiliates operate for themselves and third parties 75 long-term health care centers in ten states, 17 assisted living communities in six states, and 37 home health agencies in four states. NHC affiliates provide skilled nursing services in the state of Tennessee with 3,593 licensed beds. For more information on NHC affiliates and their services, visit www.nhccare.com.

TriStar Health is the region's largest, most comprehensive healthcare provider with 18 hospitals and 10 ambulatory surgery centers in Tennessee, South Central Kentucky and Northern Georgia. As a system, TriStar hospitals are supported by approximately 5,300 physicians and nearly 13,000 employees. TriStar Health facilities feature state-of-the-art technology and pioneer new medical procedures every day to accommodate the needs of the more than 110,000 patient admissions and nearly 515,000 Emergency Department visits annually. For more information about TriStar Health, or for a physician referral, call TriStar MedLine at 615-342-1919 or toll-free outside of Nashville at 1-800-242-5662 or visit TriStarHealth.com.

The proposed 90 bed center a crucial part of being able to implement the referenced alliance

Please see Attachment "Section C – General Criteria – 1A.4 Service Area JAR Report" located on page 57-59 at the end of the application.

Describe the existing or certified services, including approved but unimplemented CONs, of similar institutions in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. Be certain to list each institution and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: admissions or discharges, patient days, and occupancy. Other projects should use the most appropriate measures, e.g., cases, procedures, visits, admissions, etc.

The information contained herein, is based on the most current published information reported by the State of Tennessee and other sources. The following bed inventory was reported to the referenced agency for year ending 12/31/09, 12/31/2010 and 12/31/11 for Davidson County. In addition, there are two approved or outstanding CON's but only one (1), McKendree's 30 bed CON for new (net increase) nursing home beds in Davidson County. The other outstanding CON is NHC 150 bed replacement facility, of which 60 of the 90 beds proposed herein are part.

NURSING HOMES	2009 Licensed	2010 Licensed	2011 Licensed
	Occupancy	Occupancy	Occupancy
Belcourt Terrace	79.6%	81.8%	85.8%
Bethany Health Care Center	95.8%	95.8%	93.3%
Bordeaux Long Term Care	84.0%	85.1%	84.1%
Crestview Nursing Home	76.6%	74.6%	76.6%
Cumberland Manor	91.9%	94.2%	94.9%
Donelson Place Care & Rehab Center	81.9%	92.5%	81.0%
Good Samaritan Health & Rehab	96.4%	92.4%	85.5%
Grace Healthcare of Whites Creek	86.4%	84.6%	93.7%
Green Hills Health & Rehab Center	78.3%	84.5%	84.3%
Imperial Manor Convalescent Center*	82.8%	76.9%	0.2%
Jackson Park Christian Home	92.8%	90.9%	84.0%
Lakeshore Heartland	97.6%	97.2%	74.6%
Lakeshore of Wedgewood*	61.1%	50.5%	N/A
Madison Healthcare & Rehab	92.6%	95.0%	90.6%
McKendree Village	31.4%	83.3%	87.5%
Health Center at Richland Place	98.4%	98.4%	98.5%
The Meadows	64.2%	73.8%	100.4%
Trevecca Health Care Center	91.7%	90.3%	88.4%
Vanco Manor	96.1%	96.7%	96.3%
West End Health Care Center*	36.8%	N/A	N/A
West Meade Place	84.7%	88.5%	80.4%
Woodcrest at Blakeford	84.1%	83.0%	94.9%
Total	81.2%	85.8%	82.5% 87.9% Less Imperial

Source: 2009, 2010, 2011 JAR Reports, Schedule F Utilizations - Part 2, Resident Days of Care

Lakeshore Wedgewood reported data from 1/1/10 - 3/31/10.

Imperial Gardens only reported 117 resident days of care for 2011.

Life Care Center of Hickory Woods (124 beds) was licensed on 10/25/11 and was not included in the analysis.

Life Care Center of Old Hickory Village (124 beds) was licensed on 5/3/12 and was not included in the analysis.

^{*} Note: West End Health Care Center reported data from 1/1/09 - 4/20/09.

NHC's CN1107-24A for 150 beds is the only remaining nursing home replacement CON's outstanding in Davidson County. The other outstanding CON is held by McKendree Manor for the addition of 30 nursing home beds.

5. Provide applicable utilization and/or occupancy statistics for your institution for each of the past three (3) years and the projected annual utilization for each of the two (2) years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology <u>must include</u> detailed calculations or documentation from referral sources, and identification of all assumptions.

Annual utilization for each of the two (2) years following completion of the project.

 Z017
 Z018
 Z019

 The Health Center of Hermitage
 26.63%
 78.63%
 95.00%

Please see Attachment, Section C, Economic Feasibility – 4, Historical & Projected Data Chart, p. 98 for the details and methodology used to project utilization.

- 1. Provide the cost of the project by completing the Project Costs Chart on the following page. Justify the cost of the project.
 - All projects should have a project cost of at least \$3,000 on Line F. (Minimum CON Filing Fee). CON filing fee should be calculated from Line D. (See Application Instructions for Filing Fee)
 - The cost of any lease should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater.
 - The cost for fixed and moveable equipment includes, but is not necessarily limited to, maintenance agreements covering the expected useful life of the equipment; federal, state, and local taxes and other government assessments; and installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding, which should be included under construction costs or incorporated in a facility lease.
 - For projects that include new construction, modification, and/or renovation; documentation must be provided from a contractor and/or architect that support the estimated construction costs.

The cost of this proposed project is \$20,142,000 for 90 bed nursing home. Costs for the proposed project are based on actual cost incurred on projects undertaken by NHC and based on the experience of Johnson & Bailey, Architects. Estimates provided are considered to be consistent with past experience and to be based on sound assumptions.

Special efforts to be made by the applicant to contain the costs of offering the proposed services are the following:

- a. Group Purchasing
- b. Shared Services
- c. Energy Conservation
- d. Controlled Management Costs
- e. Cost and Quality Control

Please see Attachment "Section C - Economic Feasibility – 1 Project Cost Chart" located on page 77 at the end of the application.

2. Identify the funding sources for this project.

a. Please check the applicable item(s) below and briefly summarize how the project will be financed. (Documentation for the type of funding MUST be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment C, Economic Feasibility-2.)

The proposed project has the following source of funds: A commitment of capital cost reflected on Project Cost Chart has been secured from National Health Investors, Inc. Additionally, a commitment of working capital has been secured from National HealthCare Corporation. Debt incurred for the project will be retired as reflected on Projected Data Chart.

- A. Commercial loan--Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;
- B. Tax-exempt bonds--Copy of preliminary resolution or a letter from the issuing authority stating favorable initial contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;
- C. General obligation bonds—Copy of resolution from issuing authority or minutes from the appropriate meeting.
- D. Grants--Notification of intent form for grant application or notice of grant award; or
- X E. Cash Reserves--Appropriate documentation from Chief Financial Officer.
- ___ F. Other—Identify and document funding from all other sources.

Please see letter indicating the required information in Attachment "Section C Economic Feasibility - 2" located on page 81 at the end of the application.

Discuss and document the reasonableness of the proposed project costs. If applicable, compare the
cost per square foot of construction to similar projects recently approved by the Health Services and
Development Agency.

The proposed project is reasonable in relation to similar facilities in the state. The cost per bed is \$135,901, construction cost only or \$223,800 per bed of total project cost which is comparable to similar types of projects in the state. Furthermore, project costs are reasonable and inline with our past experience. Thus, quality nursing services and the continuum of care will be expanded in the local area cost effectively.

Following is information obtained from HSDA regarding the construction ranges for nursing home CONs approved between 2009 and 2011. Per HSDA "The only exceptions are if the property/building was going to be leased; thus, the cost per square foot couldn't be calculated."

Nursing Home Construction Cost Per Square Foot Years: 2009 – 2011

	Renovated	New	Total
	Construction	Construction	Construction
1st Quartile	NA	\$158.44/sq ft	\$94.55/sq ft
Median	NA	\$167.31/sq ft	\$165.00/sq ft
3rd Quartile	NA	\$176.00/sq ft	\$168.25/sq ft

Source: CON approved applications for years 2009 through 2011 Due to insufficient sample size, Renovated Construction is not available but not applicable in this case 4. Complete Historical and Projected Data Charts on the following two pages--<u>Do not modify the Charts provided or submit Chart substitutions!</u> Historical Data Chart represents revenue and expense information for the last three (3) years for which complete data is available for the institution. Projected Data Chart requests information for the two (2) years following the completion of this proposal. Projected Data Chart should reflect revenue and expense projections for the *Proposal Only* (i.e., if the application is for additional beds, include anticipated revenue from the proposed beds only, not from all beds in the facility).

Please see Attachment "Section C Economic Feasibility – 4 Historical (Not Applicable) & Projected Data Chart" located on page 95 at the end of the application.

5. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge. The Projected Data Chart was used as the source for the requested calculations.

	Year One	Year Two	Year Three
	(Patient Days 8,749)	(Patient Days 25,829)	(Patient Days 31,829
Average Gross Charge	\$536.41	\$559.95	\$585.54
Average Deduction	\$155.65	\$166.28	\$178.99
Average Net Charge	\$380.76	\$393.67	\$406.55

Please provide the current and proposed charge schedules for the proposal. Discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the proposed project and the impact on existing patient charges.

Patient Charge/Reimbursement	Year 1(6/2016) Proposed	Year 2(6/2017) Proposed
Private/Private Pay	\$265.06	\$276.99
Semi-Private/Private Pay	\$251.11	\$262.41
Semi Private - Companion	\$258.09	\$269.70
Medicare	\$496.26	\$506.18
Managed Care	\$448.62	\$457.59

The proposed CON project is for the relocation of a 60 beds approved by CON number CN1107-024A and the addition of 300 new beds for the construction of a new 90 bed nursing home CON to be called The Health Center of Hermitage. Consequently, there are no existing patient charges. Medicare RUG rates are inflated 2.0% annually. The anticipated revenue from the proposed project is sufficient to produce positive net operating income in year two of \$65,113.

B. Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

Please see Attachment "Section C – Economic Feasibility – 6b Estimated Rates" on page 124 at the end of the application for a comparison of the proposed charges to those of similar facilities in Davidson County. Please note that Medicare reimburses providers via a perspective payment system. Providers are compensated equally based on the particular service rendered. A comparison of the 2011 rates inflated 4.5% a year to the projected 2017 opening show the proposed charges to be similar.

7. Discuss how projected utilization rates will be sufficient to maintain cost-effectiveness.

The projected utilization rates are sufficient to maintain cost-effectiveness. Please see the proforma Projected Data Chart located in the Attachments to this CON application on page 95 including page 98 for a two-year and three year projection showing utilization rates sufficient to maintain cost effectiveness.

8. Discuss how financial viability will be ensured within two years; and demonstrate the availability of sufficient cash flow until financial viability is achieved.

The nursing home is projected within the second year to have sufficient positive cash flow to achieve financial viability. (Please see Projected Data Chart on page 95 of the attachments and page 81 documenting the availability of sufficient cash for the project)

9. Discuss the project's participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid, and medically indigent patients will be served by the project. In addition, report the estimated dollar amount of revenue and percentage of total project revenue anticipated from each of TennCare, Medicare, or other state and federal sources for the proposal's first year of operation.

The proposed project will be accessible to patients eligible for nursing home care. Medicare, Medicaid, insurance and private funded payment sources are accepted by the center. Patient payor mix for The Health Center of Hermitage has been projected in the proforma based on NHC's experience in the market place.

The estimated dollar amount of revenue and percentage of total project revenue anticipated by payor source for year one is as follows:

Private/Private Pay Semi-Private	\$ 986,359 \$ 107,756	29.6% 3.3
Semi Private Companion Medicare	\$ 110,602 \$ 1,266,251	3.3 38.0
Medicare Part B Managed Care	\$ 44,264 \$ 812,655	1.3 24.4
Misc.	\$ 3,357	0.1
Total	\$3,331,244	100%

Source: Attachments, page 122 of the financial proforma assumptions.

10. Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For new projects, provide financial information for the corporation, partnership, or principal parties involved with the project. Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as Attachment C, Economic Feasibility-10.

Please see Attachment "Section C Economic Feasibility - 2 pages 82-92 at the end of the application for the most recent audited financial statements for NHC (year end 12/31/2012) and the must current available 10Q, dated 3/31/13.

- 11. Describe all alternatives to this project which were considered and discuss the advantages and disadvantages of each alternative including but not limited to:
 - a. A discussion regarding the availability of less costly, more effective, and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, the applicant should justify why not; including reasons as to why they were rejected.

After compiling all of the facts, it was decided that the best alternative would be to relocate 60 of the 150 beds currently held by as part of CN1107-024A, and add 30 additional Medicare skilled beds for a total of 90 beds. This proposal will allow the Health Center of Hermitage to meet the long-term care needs of the residents of Davidson County.

- (a) <u>Do nothing</u>. The decision to construct all 150 beds at the current site would not address the need for an additional center and bed options in the eastern section of Davidson County. Also, NHC has had extensive discussions with several acute care providers on how to best meet their hospital's system's needs. Our desire is to move some of the approved beds to the Eastside of Davidson County, to be within the service area of these large hospital campuses, will make available the services NHC is proposing to a broader number of patients across the city.
- (b) Request more than 30 beds. This proposal was considered but rejected because the proposed thirty (30) beds with allow maximum efficiency of operation and design. The projected need in Davidson County is for an additional 498 Medicare beds in 2015.
- (c) Request fewer than 30 beds. This proposal was considered but rejected based on project financial feasibility To accommodate the projected growth and need for skilled beds for the year 2015, additional beds should be added. The bed need projected by the Guidelines for Growth show a need for 498 additional skilled beds by year 2015. Our request is for 30 beds to open by late 2016.
- (d) Relocate 60 beds from NHC's existing 150 bed CON (which was a replacement CON) and add 30 new Medicare beds for a center total of 90 beds. This proposal was considered and accepted. By using the existing resources of the 60 beds approved by CN1107-024A and combining those beds with a 30 bed addition offering skilled nursing services and rehab services, this proposal will meets the projected needs and orderly development of the health care community in Davidson County by distributing the beds across the County to areas were a greater need exist.

b. The applicant should document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements. It should be documented that superior alternatives have been implemented to the maximum extent practicable.

Not Applicable, the applicant is proposing the relocation of a previously approved CON.

(III.) CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE

1. List all existing health care providers (e.g., hospitals, nursing homes, home care organizations, etc.), managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, e.g., transfer agreements, contractual agreements for health services.

Transfer agreements will be established between all relevant health care providers in the community including but not limited to the following:

Summitt Medical Center Baptist Hospital Centennial Medical Center St. Thomas Hospital Vanderbilt University Hospital Nashville Rehabilitation Hospital University Medical Center Department of Veterans Affairs Vanderbilt Dialysis Clinic DCI Summit Dialysis Clinic, Inc. Medic One, Inc. **Empact Medical Services** Woodbury Clinical Laboratory West Meade Place (emergency evacuation) The Health Center at Richland Place (emergency evacuation) **Network Pharmacy** Other Area Nashville, Davidson County and surrounding health care providers

Contractual relationships will be drawn up with a Medical Director, Dietary Consultant, Physical Therapist, Medical Record Consultant, and Therapists for other treatment such as oxygen therapy. Contractual relationships are established with local dentists, optometrists, gerontologists and other specialized physicians, in order to meet the needs of the patients.

A licensed pharmacist is a member of the Pharmacy Committee, and a local pharmacy is awarded a contract to supply medications for the patients. If a patient does not wish to use the pharmacy with which the facility has contracted, the patient will have the choice of the pharmacy he chooses to use provided the pharmacy agrees to the mandates of the State regulations and the rules and regulations of the nursing home.

It is the intent of this facility to meet all the requirements of the TN Department of Health with regard to agreements, contractual arrangements and participation by health care professionals. The following is the process, which has been established to coordinate and provide for a continuum of care in the project in conjunction with other providers:

<u>Purpose</u>: The purpose of being actively involved in the community continuum of care is to provide the consumer within our market area the opportunity to acquire the most <u>appropriate</u> level and type of services for his/her needs. These needs relate to medical support, personal care, personal maintenance and nutritional guidance. We will focus on coordinating our services with other health care providers through effective communication and teamwork.

<u>Targeted Population</u>: Although the targeted population is diverse due to the multifaceted nature of the continuum of care, two groups dominate NHC's particular services on the continuum.

1. Individuals in other community settings who need services devoted to rehabilitation and short-term stays in the healthcare center.

Persons who can no longer be maintained or cared for in their current setting and need 24-hour care for chronic and/or debilitating conditions of a long-term nature.

Methodology:

Step 1: Maintain a listing of Current Community Resources-This listing is categorized according to type of service contact person for each organizations. Standard categories, with the function as it relates to our facility include the following:

Organization Function

Hospitals Discharge sub-acute patients to more cost-effective nursing centers.

Hospices Care for special group of terminally ill.

Residential Facilities Residential institution for those unable to maintain independent lifestyles but do

not need intense Medical Care.

Assisted Living (ALF)
Home Health Care
Home Support

Group environment to prevent immediate admission to long-term care facility.
Provides Medical treatment on less expensive environment than institution.
Household or personal services essential to any home health care program.

Adult Day Care Needed respite service for family support while care provided at home.

Nutrition Programs Health promotions service which also acts to encourage socialization and

prevent isolation.

Senior Centers/ Acts to improve quality of life Recreation Services and encourages socialization

Step 2: All potential nursing center patients and referrals are pre-screened to determine whether the person's condition warrants admission to the nursing center. If admission to the nursing center is not appropriate, and if the person's condition is such that he can be cared for at home with assistance, the Admissions Director and the Social Services Director will refer the person and his family to the appropriate service provider. This will ensure that elderly persons are not being inappropriately admitted to the nursing center and coordination of other services is maintained.

For elderly persons admitted to the nursing center, discharge planning will ensure that patients are discharged to a non-institutional setting when their physical condition improves. Discharge planning begins upon the patient's admission to the center. At that time, the Admissions Director and Social Services Director will meet with the patient and his family to discuss the availability of suitable accommodations following discharge as determined by the initial assessment.

The patient's progress is monitored and reassessed on a regular basis to determine whether the patient is a candidate for transfer to the community. The Social Services Director, who is part of the center's interdisciplinary care team, will update each patient's medical record with progress notes regarding discharge planning on a regular basis. If discharge has been determined to be appropriate, the Social Services Director will advise the patient and his family of the availability of community support systems, such as home health care, adult day care, etc. The Social Services Director will serve as the liaison between the patient, his family, and the appropriate provider to coordinate the discharge home and the linkage for support services.

Linkages to facilitate referrals and transfers are established through formal working agreements and referral arrangements. These agreements are established prior to facility opening to ensure immediate linkages. Given the fact that NHC already operates in Davidson County, the replacement center will benefit from established referral agreements with the targeted organizations listed above.

Responsible Position: The center's Admissions Director and Social Services Director are responsible for ensuring that potential patients who inquire at the center for admission are referred to the appropriate provider if admission to the nursing center is not warranted or if such service is needed. The Social Services Director is responsible for discharge planning to ensure that patients are discharged from the center when they are ready and that transfer to a semi-institutional setting or to home with appropriate support services is successfully coordinated. Through their ongoing work, the Admissions Director and Social Services Director will maintain linkages and working relationships with providers of non-institutional services.

<u>Desired Outcome</u>: The desired outcome is to ensure that discharges and/or referrals to support services are available and coordinated in a timely manner for patients who no longer require nursing home care and for elderly inquiring at the center for services, but who are inappropriate for admission.

- Become a strong link in the chain of health care providers as it relates to an overall continuum of care
- 2) Improve and enhance proper service utilization.
- 3) Improve patients' medical conditions by using available avenues.
- 4) Reduce cost by eliminating duplication of services.

<u>Measurement of Outcome</u>: The Admissions Director and Social Services Director will maintain a record of inquiries and referrals of elderly persons seeking long-term care services. These records are reviewed through Quality Assurance and state licensure surveys to determine if appropriate referrals are being made.

Patient medical records are reviewed on a regular basis by the interdisciplinary care team to determine if discharge from the nursing center is appropriate, and if discharge planning goals are being updated or modified. Discharge planning will also be monitored through Quality Assurance surveys and state licensure surveys. Utilization review is conducted every month for Medicare patients. Monitoring of discharge planning will promote the utilization of less intensive, non-institutional services whenever possible.

To integrate and utilize other providers in the health care network the center has established and will have linkages with others in the health care network through the following process:

<u>Purpose</u>: To promote the utilization of less intensive, non-institutional services such as home health care, adult day care, meals on wheels, etc. Since the proposed nursing center will not offer these services, linkages are established with providers of these services to ensure accessibility and transfer when appropriate by nursing center patients.

<u>Targeted Population</u>: Persons targeted for referral to non-institutional services are those nursing center patients whose health has improved to the point where they no longer require 24-hour nursing supervision and are eligible for transfer to home or to a semi-institutional setting, with support services. Referrals will also be made for persons inquiring at the center for long-term care services, but whom after pre-screening, are determined to be inappropriate for nursing home admission.

Linkages are developed by the center with other providers in Davidson County to provide services not offered by the center. Davidson County has over 24 home health agencies, 11 hospice and 20 assisted living providers. Although the residents will have a choice in health care providers, the following is a partial listing of providers the facility will work with to provide services not offered by the center.

Home Health Agencies
Amedisys Home Health
CareAll
HomeCare Solutions
NHC HomeCare
Willowbrook Home Healthcare Services
Gentiva

Hospice
Alive Hospice of Nashville
Caris Healthcare
Gentiva Hospice

Meals on Wheels
Area Meals on Wheels

Assisted Living Centers
Barton House
Belmont Village
Burton Court at Blakeford
Maybelle Carter Senior Adult Community
McKendree Village
Morningside of Belmont
Provision Living of Hermitage
Richland Place
Sycamores Terrace

<u>Desired Outcome</u>: The desired outcome is to ensure that discharges and/or referrals to non-institutional support services are available and coordinated in a timely manner for patients who no longer require nursing home care and for elderly inquiring at the center for services, but who are inappropriate for admission.

Consequently, transfer agreements are established between all relevant health care providers in the community.

Contractual relationships are established with local dentists, optometrists and other specialized physicians, in order to meet the needs of the patients.

A licensed pharmacist will be a member of the Pharmacy Committee, and a local pharmacy is awarded a contract to supply medications for the patients. If a patient does not wish to use the pharmacy with which the facility has contracted, the patient will have the choice of the pharmacy he chooses to use provided the pharmacy agrees to the mandates of the State regulations and the rules and regulations of the nursing home.

It is the intent of this facility to meet all the requirements of the TN Department of Health with regard to agreements, contractual arrangements and participation by health care professionals.

2. Describe the positive and/or negative effects of the proposal on the health care system. Please be sure to discuss any instances of duplication or competition arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.

The Health Center of Hermitage, LLC is requesting the authority to relocate 60 beds from an existing CON and add 30 new SNF beds. The results are seen to have positive effects for both the long-term care industry and the growing aging population in Davidson County.

National HealthCare Corporation is one of the largest providers of long-term care beds and services in the State of Tennessee, of which The Health Center of Hermitage, LLC is a subsidiary. The Health Center of Hermitage will be committed to providing the highest quality of care at maximum efficiency. Through the proposed project, NHC will continue with its commitment to improve both efficiency and care in Davidson County.

This project will serve as a needed relocation of services to the residents of Davidson County. The proposed project will serve as a referral source for home health agencies, doctors and area hospitals. This project will not have negative effects on the health care system of duplication or competition because 60 of the 90 requested beds are replacement beds and the 30 beds requested are supported by both the State's bed need formula in Davidson County, and the health care community that will make referrals and utilize the facility.

3. Provide the current and/or anticipated staffing pattern for all employees providing patient care for the project. This can be reported using FTEs for these positions. Additionally, please compare the clinical staff salaries in the proposal to prevailing wage patterns in the service area as published by the Tennessee Department of Labor & Workforce Development and/or other documented sources.

For over thirty years, NHC has been staffing and providing nursing home care in Davidson County. Staff salaries used in the financial projects are reasonable in comparison with prevailing wage patterns in the area. We know this to be true based on our ability to currently staff several nursing homes to the required levels in and around Davidson County as well as all or our other operations across the State of Tennessee and the other states we operate in presently. Wage and salaries used in the proforma projections are consistent with what is offered in other NHC centers in the market area and inflated forward to center opening. Surveys conducted by the Tennessee Department of Labor and Workforce Development by area allow NHC to remain competitive with staff salaries in comparison with prevailing wage patterns in the area.

Please see Attachment "Section C Economic Feasibility – 4" located on page 123 at the end of the application for the current and/or anticipated staffing pattern for all employees providing patient care for the project reported using FTEs for these positions.

Please see Attachment "Section III Contribution of Orderly Development - 3" located on page 129 at the end of the application for the for the comparison of the clinical staff salaries to prevailing wage patterns in the service area as published by the Tennessee Department of Labor & Workforce Development.

4. Discuss the availability of and accessibility to human resources required by the proposal, including adequate professional staff, as per the Department of Health, the Department of Mental Health and Developmental Disabilities, and/or the Division of Mental Retardation Services licensing requirements.

Please see Attachment "Section C Economic Feasibility – 4" located on page 123 at the end of the application for a listing of projected human resources required by the proposal per the licensing requirements of the Department of Health. Year two, the proposed project will require a total of 83.2 FTE's of which over half or 46.2 FTE's are in nursing. The applicant has had an approved CNA training program in-house and has the ability to staff the projected FTE increase based on its current staff and potential employees on file.

Verify that the applicant has reviewed and understands all licensing certification as required by the State of Tennessee for medical/clinical staff. These include, without limitation, regulations concerning physician supervision, credentialing, admission privileges, quality assurance policies and programs, utilization review policies and programs, record keeping, and staff education.

The applicant has reviewed and understands all licensing certification as required by the State of Tennessee for medical/clinical staff. Specifically, the applicant is familiar with the Rules of the Tennessee Department of Health, Board for Licensing Health Care Facilities, Chapter 1200-8-6, Standards for Nursing Homes.

6. Discuss your health care institution's participation in the training of students in the areas of medicine, nursing, social work, etc. (e.g., internships, residencies, etc.).

NHC has been in operation for over 42 years and is currently operating Richland Place, one of the most established centers in the Nashville market. The Health Center of Hermitage will surely generate a lot of interest from professional nursing personnel in the community. NHC recognizes that staffing shortages are an issue across the nation. Nevertheless, NHC has operated in the Davidson County since 1975 and based on that experience, does not expect to have a problem staffing the proposed project.

The anticipated medical personnel (FTE's) required for the replacement facility, at 87.36% occupancy in year two, during the three shifts, is as follows:

Personnel	Total FTE's
RNs	10.4 (includes DON & ADON)
LPNs	5.6
Aides/Orderlies	32.2

Staffing at long-term health care facilities is, of course, dependent on the availability of licensed and unlicensed personnel in the market area. While a review of the general market area of this facility indicates that NHC's recruitment efforts should have little impact on existing facilities, NHC has a company-wide policy to provide in-house education and incentive programs to assist in obtaining licensed as well as certified non-licensed personnel. Company strives to have each health care center owned or managed by NHC will have two partners attending nursing school under a scholarship program.

Secondly, NHC has identified areas in which there appear to be acute shortages of licensed personnel and in these areas has an active scholarship program at all 2 and 4-year nursing schools, as well as a recruitment effort with the graduating high school classes. This program, which was initiated in 1987, has attained excellent success. In addition to the educational push for licensed personnel, the Company operates a full in-house certification program for nurse aides and technicians. The program will be headed up by a registered nurse located in Nashville, Tennessee, concentrates on utilizing existing vocational schools and/or nonprofit groups to provide classroom space. Classes are run, on the average, every two months and reach a dozen or so potential nurse aides or technicians in each program. At the end of the course, the individuals who graduate are eligible to participate as certified nurse aides in all of the southeastern states, which have such certification courses.

Finally, the Company runs an intensive administrator-in-training program, which takes college graduates

and works them through a 24-month training brogram, learning every aspect of the management and administration of long-term health care centers. More than half of the company's administrators are presently graduates of this program. All in all, the company has the highest commitment to the continuing education of its partners and the recruitment of qualified outside individuals with intent to assist their educational activities to help meet the continuing health care needs of the aging population of America.

National HealthCare Corporation prides itself and owes much of its success to over 11,000 partners. NHC realizes that staffing of medical facilities across the country is becoming more of a problem. However, NHC has managed to avoid many of the staffing problems experienced by other operators by offering competitive salaries and extended benefits to all levels of personnel. The NHC philosophy is to operate as a team, with every job having equal bearing on our desired goal to provide the best possible long-term health care to the growing elderly population. All company partners are carefully screened for each job to ensure that the best possible placement. The company attitude toward all its partners along with competitive salaries and a friendly, secure, professional work environment has enabled NHC to attract the kind of team that has made it so successful for over forty two (42) years. NHC also has many strict requirements and company training programs (which are nationally recognized) that continue the level of expertise necessary to deliver state of the art nursing care. Consequently, NHC has an outstanding record for low staff turnover in the industry.

The Health Center of Hermitage draws nurses from the surrounding market area. Staff is often acquired from local advertising, recruitment at area colleges, and word of mouth from other partners. And as stated previously, applicants are drawn from resumes kept on file by NHC.

To provide access by health professional schools and behavioral research projects NHC has established the following:

<u>Purpose</u>: The purpose of NHC's established and proven recruitment plan is to recruit and maintain staff in a variety of disciplines necessary to meet the needs of residents, and provide high quality patient care. The recruitment plan is also used to eliminate and/or reduce reliance on nursing pool personnel and to recruit the highest quality personnel available in the area with the potential for career advancement and longevity. The beneficiaries of staffing retention are the patients that are provided with continuous, superior care.

<u>Targeted Staff Categories</u>: All staff categories, including nursing, social service, administration, dietary, housekeeping, laundry, and maintenance. Particular emphasis is placed on professional and non-professional nursing personnel. NHC has experienced its primary shortage of staff in nurses and nurse aides, and has targeted increased efforts toward the recruitment of personnel in these positions.

Methodology: This recruiting plan has been approved by the management of NHC and has been implemented in all 76 facilities owned and/or managed by NHC. The Health Center of Hermitage will use the following methods:

National HealthCare Corporation's philosophy whenever adding new beds is that the time and effort expended prior to opening in obtaining quality personnel is beneficial for both the company and the patients of the facility. Thus, considerable effort is used to recruit a staff for the facility that meets the following major criteria:

- Each staff member is attuned to the National HealthCare Corporation philosophy of restorative nursing and emphasizing quality of life for our patients; and
- 2) To the extent possible, each staff member has a record of stable employment and a commitment to both the facility and the elderly. The Administrator is trained in the company Administrator program, and will likely be a member of the National HealthCare Corporation corporate staff for training for approximately two (2) years. NHC currently has (3) three Administrators in its training program. The Administrator and the corporate staff will tailor our Recruitment Plan to meet the local market. The goal of this plan is to put together a cohesive program of partner recruitment at the outset, which will enable the facility to select and recruit an initial staff, which will have not less than 40% partner retainage after five years.

In order to implement the Recruitment Plan and to recruit new partners after opening the facility, the following methods are used:

The recruitment plan is updated annually to account for changes in local market conditions. A great majority of staff personnel are recruited through traditional means, which include classified advertisements, word of mouth among existing staff members and within the community at-large, and through individuals approaching the facility on a walk-in basis to apply for employment. This method has been quite successful for NHC in attracting staff of varied disciplines to its facilities. National HealthCare Corporation owned and operated facilities enjoy an outstanding reputation in their communities and offer prospective partners an opportunity for growth and advancement while working for a quality nursing home operator in a clean, stable work environment at competitive wages.

Currently NHC includes the following recruiting incentives in its package:

Highly competitive wages
Tuition Reimbursement
Ongoing skills training
Group Life Insurance
Company-Paid Retirement

Non-partner Educational Loan Program Continuing Education Program (C.E.U.s) Earned Time Off Group Health Insurance (w/ Dental) Partner Stock Purchase Plan

Corporate promotions and recognition

For nursing personnel, additional recruitment steps are taken to supplement those described above. The first step involves more intensified recruitment for the nurse aid positions to help alleviate shortages experienced within the state. NHC has begun an aggressive recruitment program in Tennessee for nurses and nurse aides aimed at the retired and semi-retired persons living within the service area of its facilities. The program involves both advertising and community outreach in order to invite this targeted group to visit the facility and explore opportunities in the geriatric nursing field. An advantage of this program is the availability of flexible hours, which conform to the needs of the prospective partner. NHC recognizes the retiree/semi-retiree as the largest untapped work force in the service area and in Tennessee as a whole, and desires to benefit from the broad experience, compassion, and understanding these people can bring to the patients and other staff at the facility.

The second step to aid in recruiting nursing personnel to the facility involves integration with the area's educational institutions. To assist with staff recruitment and promote community involvement, the facility will work within the community in the following manner:

- A. DON will serve with local advisory boards of Vocational Technical Schools. In addition, the facility will provide a classroom for Certified Nursing Assistant, Advanced Certified Nursing Assistant, and Home Health Aide Classes. This will provide NHC with an advantage for staff recruitment. Upon graduation from each step, partners are given a banquet dinner, certificates, and monetary raises.
- B. NHC has established relationships with the following educational institutions to aid in recruitment of qualified nursing personnel:

CNA Schools
CNT School
Nashville Area Technical School
Tennessee State Vocational College

<u>LPN Schools</u> Tennessee State Vocational College RN Schools
Middle Tennessee State University
Tennessee State University
Vanderbilt University
Belmont University
University of Tennessee
Aquinas College
Fisk University

Not only are top-notch applicants recruited from the above schools, but all major schools in the Southeast are include in our recruiting plans. Also, all state and national association meetings are well attended including an exhibit booth and display on recruiting. (This includes National meetings of Nurses, Registered Physical Therapists, Speech Pathologists and Occupational Therapists.

Responsible Positions: The overall recruitment plan is implemented initially by the facility's administrator who then reports and has input and output from the National HealthCare Corporation's corporate staff. On an ongoing basis, the Administrator working with department heads are responsible for recruitment. The DON is heavily involved in the recruitment of LPN's and RN's, as is the corporate staff.

Judy W. Powell, R.N., MS, is Senior Vice-President of Patient Services and is responsible for the overall plan of National HealthCare Corporation.

<u>Desired Outcome</u>: The desired outcome is to attract and maintain a full, stable, motivated staff capable of providing the level of patient care expected by the patient and Applicant alike and who respect and strive to maintain the dignity of each and every patient. Particular emphasis is placed on obtaining long-term partners.

<u>Measure of Outcome</u>: The outcome is measured by monthly data collected, maintained and reported in the monthly administrative meeting regarding manpower characteristics. Specifically, the effectiveness of the Recruitment Plan is measured:

- 1) By the general success of the facility in staff recruitment;
- By the partner turnover rate through either voluntary or involuntary dismissal;
- 3) By facility Quality Assurance and licensure ratings; and
- 4) By overall staff retention for various periods of time.
- 5) Hours of Nurse Registry used during the year.

An overall turnover of 40% of the facility's initial staff and 70% of its professional staff after five years is the goal of the program. Although at some times unavoidable, the use of nursing pool personnel is considered unacceptable and represents a failure of the Recruitment Plan.

Giving partners a choice of a primary care assignment enhances low nursing turnover. A primary care assignment consists of the same nurse and the same nursing assistant taking care of the same patients every day. Partners who do not wish a permanent assignment may choose to work "relief" assignments when primary-care partners are off.

Nursing Administration believes that this greatly improves the quality of continuity since partners who retain the same patients are much more aware of individual patients preferences. In addition, this enhances a bonding between patients, partners and patient families.

The Health Center of Hermitage will have 24-hour RN coverage.

7. (a) Please verify, as applicable, that the applicant has reviewed and understands the licensure requirements of the Department of Health, the Department of Mental Health and Developmental Disabilities, the Division of Mental Retardation Services, and/or any applicable Medicare requirements.

The applicant has reviewed and understands the licensure requirements of the Department of Health, and/or any applicable Medicare and Medicaid requirements.

(b) Provide the name of the entity from which the applicant has received or will receive licensure, certification, and/or accreditation.

Licensure: licensed by the State of Tennessee to provide nursing home services

Accreditation: Not Applicable

If an existing institution, please describe the current standing with any licensing, certifying, or accrediting agency. Provide a copy of the current license of the facility.

Please see Attachment "Section III Contribution of Orderly Development – 7b" located on page 134 at the end of the application for a copy of the CON held by the applicant.

(c) For existing licensed providers, document that all deficiencies (if any) cited in the last licensure certification and inspection have been addressed through an approved plan of correction. Please include a copy of the most recent licensure/certification inspection with an approved plan of correction.

Not Applicable.

9. Document and explain any final orders or judgments entered in any state or country by a licensing agency or court against professional licenses held by the applicant or any entities or persons with more than a 5% ownership interest in the applicant. Such information is to be provided for licenses regardless of whether such license is currently held.

Not Applicable, None.

10. Identify and explain any final civil or criminal judgments for fraud or theft against any person or entity with more than a 5% ownership interest in the project

Not Applicable, None.

11. If the proposal is approved, please discuss whether the applicant will provide the Tennessee Health Services and Development Agency and/or the reviewing agency information concerning the number of patients treated, the number and type of procedures performed, and other data as required.

If approved, the applicant will provide the Tennessee Health Services and Development Agency and/or the reviewing agency information concerning the number of patients treated, the number and type of procedures performed, and other data as required. The applicant files a Joint Annual Report Annually

PROOF OF PUBLICATION

Attach the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper as proof of the publication of the letter of intent.

Please see "Attachment – Proof of Publication" located on page 135 and the "Letter of Intent" located on page 138 at the end of the application.

DEVELOPMENT SCHEDULE

Tennessee Code Annotated § 68-11-1609(c) provides that a Certificate of Need is valid for a period not to exceed three (3) years (for hospital projects) or two (2) years (for all other projects) from the date of its issuance and after such time shall expire; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificates of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need which has been extended shall expire at the end of the extended time period. The decision whether to grant such an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal.

- 1. Please complete the Project Completion Forecast Chart on the next page. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.
- 2. If the response to the preceding question indicates that the applicant does not anticipate completing the project within the period of validity as defined in the preceding paragraph, please state below any request for an extended schedule and document the "good cause" for such an extension.

Form HF0004 Revised 05/03/04 Previous Forms are obsolete

PROJECT COMPLETION FOREGAST CHART

Enter the Agency projected Initial Decision date, as published in Rule 68-11-1609(c):

09/25/13

Assuming the CON approval becomes the final agency action on that date; indicate the number of days from the above agency decision date to each phase of the completion forecast.

Phase Phase	DAYS REQUIRED	Anticipated Date (MONTH/YEAR)
Architectural and engineering contract signed	30	10/13
Construction documents approved by the Tennessee ** Department of Health	330	8/14
3. Construction contract signed	360	9/14
4. Building permit secured	420	11/14
5. Site preparation completed	540	03/15
6. Building construction commenced	540	03/15
7. Construction 40% complete	660	07/15
8. Construction 80% complete	780	12/15
9. Construction 100% complete (approved for occupancy	900	04/16
10. *Issuance of license	960	06/16
11. *Initiation of service	960	06/16
12. Final Architectural Certification of Payment	990	07/16
13. Final Project Report Form (HF0055)	1,020	08/16

For projects that do NOT involve construction or renovation: Please complete items 10 and 11 only.

Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

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AFFIDAVIT 2013 JUN 14 PM 2 02

STATE OF Tennessee
COUNTY OF Rutherford
Bruce K. Duncan, being first duly sworn, says
that he/she is the applicant named in this application or his/her/its lawful agent, that this
project will be completed in accordance with the application, that the applicant has read the
directions to this application, the Rules of the Health Services and Development Agency, and
T.C.A. § 68-11-1601, et seq., and that the responses to this application or any other
questions deemed appropriate by the Health Services and Development Agency are true and
Assistant Vice President SIGNATURE/TITLE
Sworn to and subscribed before me this 12th day of June (Month) 2013 a Notary (Year)
Public in and for the County/State ofRutherford/Tennessee
My commission expires

ATTACHMENTS

Section B, Project Description - II (B)

65+ Nursing Home Beds/1,000 Population for original site, proposed relocation and Davidson County

65+ Nursing Home Beds/1,000 population within a 5 and 10 mile radius

5 Mile Radius

2017 Total	2017 65+	2013 Total 5 Mile Radius	2017 65+ Nursing Home
Population	Population	Nursing Home Beds *	Beds/1,000
73,149	11,823	323	27
134,967	11,223	214	19
678,638	83,340	3,273	39
	Total Population 73,149 134,967	Total 65+ Population Population 73,149 11,823 134,967 11,223	Total 65+ Total 5 Mile Radius Nursing Home Beds * 73,149 11,823 323 134,967 11,223 214

Source: ESRI Population Projections
TN Department of Health

*323 beds consist of Health Center of Nashville (90), The Meadows (113) and West Meade Place (120) beds

*214 beds consist of Health Center of Hermitage (60 existing CON beds and 30 pending CON beds) and Donelson Place (124) beds

3,273 beds consist of 3,063 licensed beds + McKendree 30 Bed CON, The Health Center of Nashville 90 Bed CON and The Health Center of Hermitage 90 beds (60 existing CON beds and 30 pending CON beds)

10 Mile Radius

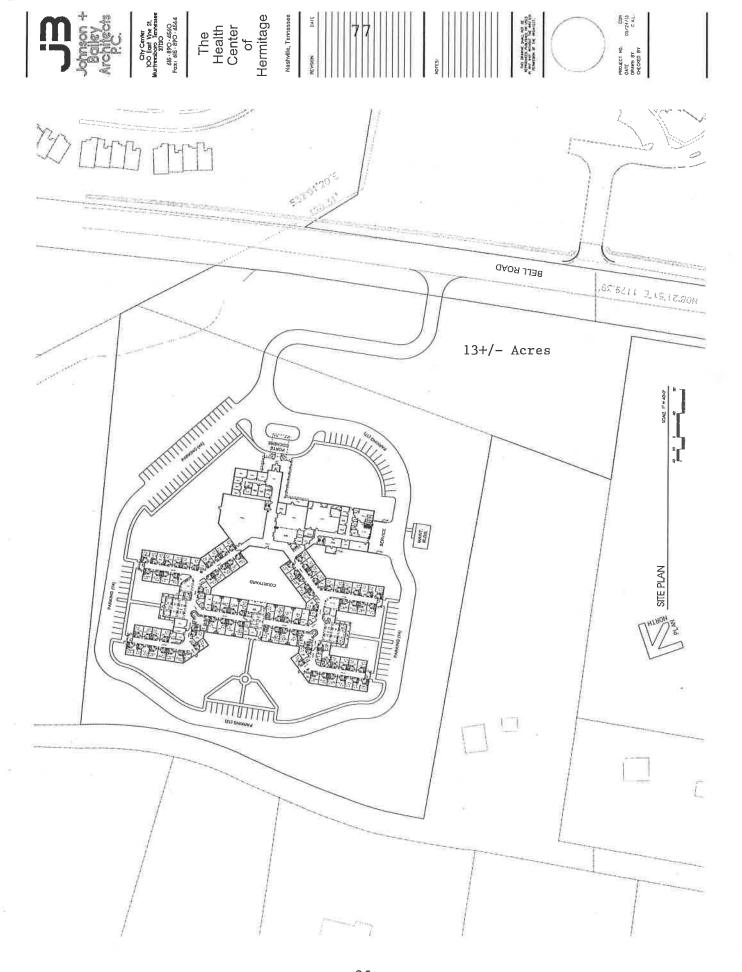
	2017	2017	2013	2017 65+
	Total	65+	Total 10 Mile Radius	Nursing Home
Location	Population	Population	Nursing Home Beds *	Beds/1,000
The Health Center of Nashville	296,197	42,722	990	23
The Health Center of Hermitage	528,361	54,456	874	16
Davidson County	678,638	83,340	3,273	39

Source: ESRI Population Projections
TN Department of Health

*990 beds consist of Health Center of Nashville (90), The Meadows (113) West Meade Place (120) beds, Woodcrest at Blakeford (83,) Greenhills Health & Rehab (150), Richland Place (107), Crestview Nursing Home (111), NHC Place at Cool Springs (180) and Somerfield at the Heritage (36)

*874 beds consist of Health Center of Hermitage (60 existing CON beds and 30 pending CON beds), Bethany Health & Rehab (180), Donelson Place (124), Good Samaritan Health (110), Lakeshore Heartland (66), Life Care Hickory Woods (124) and McKendree (150 + 30 CON Beds)

Section B - Project Description - III (A) Plot Plan

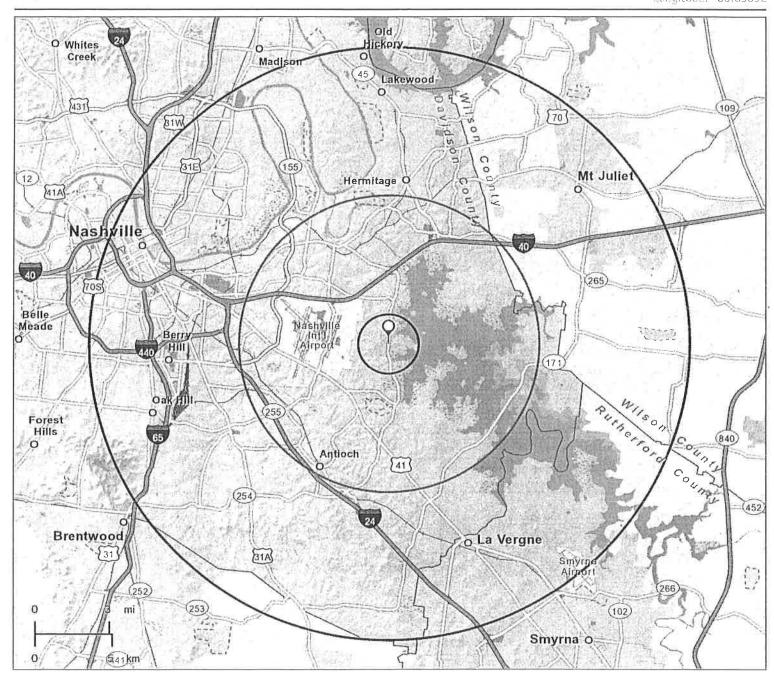




Site Details Map

Bell Rd, Nashville, TN, 37214 Ring: 1, 5, 10 Miles

Latitude: 36.11972 Longitude: -86.63092



This site is located in:

City: Nashville-Davidson metropolitan government (balance)

County: Davidson County
State: Tennessee

ZIP Code: 37214

Census Tract: 47037015625

Census Block Group: 470370156252

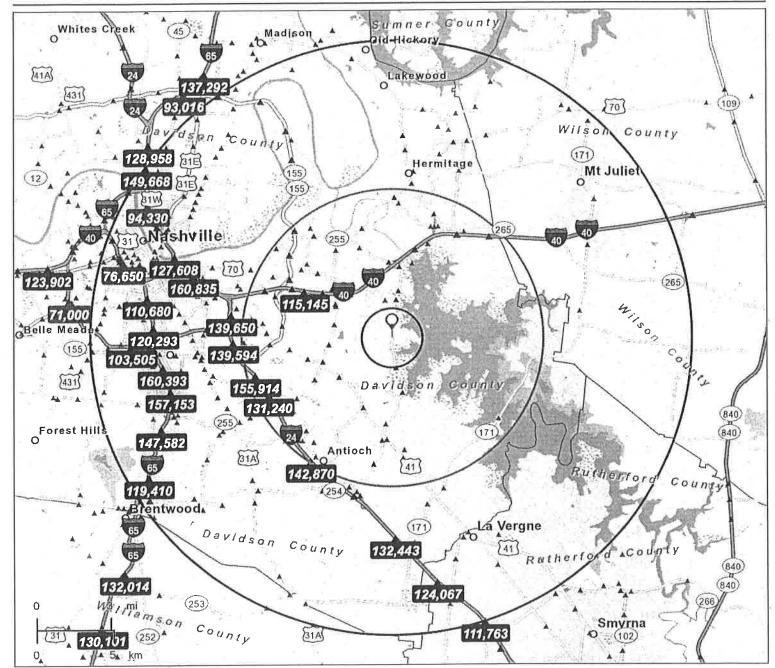
CBSA: Nashville-Davidson--Murfreesboro--Franklin, TN Metropolitan Statistical Area (34980)

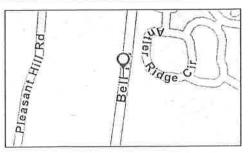


EST Traffic Count Map

Bell Rd, Nashville, TN, 37214 Ring: 1, 5, 10 Miles

Latitude: 36.11972 Longitude: -86.63092





Source: ©2012 Market Planning Solutions, Inc.

Average Daily Traffic Volume & Up to 6,000 vehicles per day

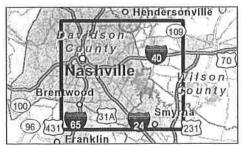
▲ 6,001 - 15,000

▲ 15,001 - 30,000

▲ 30,001 - 50,000

▲50,001 - 100,000

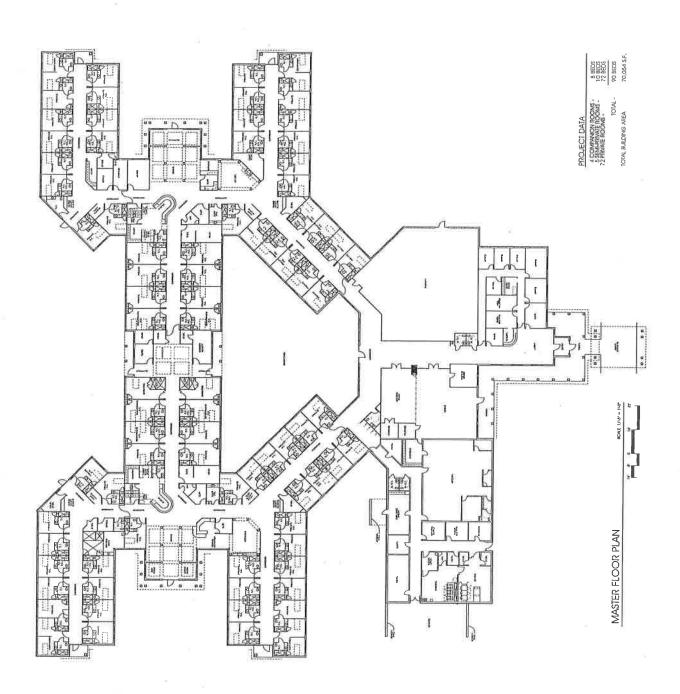
▲More than 100,000 per day

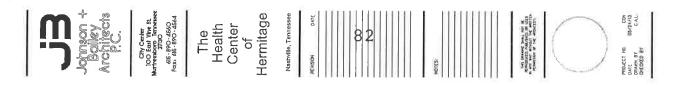


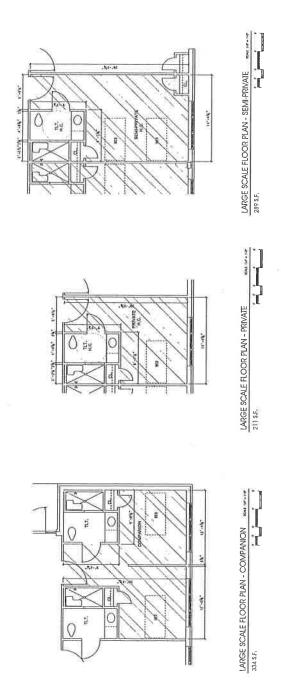
June 04, 2013

Section B - Project Description - IV Floor Plan









Section C Need Item 1 Principles of the State Health Plan

Section C – General Criteria - 1.A.

Nursing Facility Bed Need

SNF Need Formula

Davidson County

County Bed Need	2015 Population	Rate	Needed Beds By Age
Population 65 & under	537,904	0.0005	269
Population 65-74	43,630	0.012	524
Population 75-84	21,730	0.06	1,304
Population 85+	10,958	0.15	1,644
	614,222		3,741
	CON		180
	Existing Beds =		3,063
	Need =		498

Source: Office of Health Statistics, Bureau of Health Informatics, Tennessee Department of Health Existing beds based on licensed beds, Licensed Health Facilities, TN Department of Health 5/10/13

* Existing beds includes McKendree and the Health Center at Nashville (NHC)

General Bed Need Formula

Davidson County

County Bed Need	2015	recording to the second	Needed Beds
,	Population	Rate :	By Age
Population 65 & under	537,904	0.0004	215
Population 65-74	43,630	0.01	436
Population 75-84	21,730	0.04	869
Population 85+	10,958	0.15	1,644
	614,222		3,164
	Existing Beds	s =	3,063
	Need =		101

Source: Office of Health Statistics, Bureau of Health Informatics, Tennessee Department of Health Existing beds based on licensed beds, Licensed Health Facilities, TN Department of Health 5/10/13

* Existing beds includes McKendree and the Health Center at Nashville (NHC)

Section C - General Criteria – 1.A.3 Inventory and Utilization

Davidson County Nursing Homes 2011

	Nursing Home	Licensed Beds	Licensed Occupancy
1	Belcourt Terrace	49	85.8%
2	Bethany Health Care Center	180	93.3%
3	Bordeaux Long Term Care	419	84.1%
4	Crestview Nursing Home	111	76.6%
5	Cumberland Manor	124	94.9%
6	Donelson Place Care & Rehab Center	124	81.0%
7	Good Samaritan Health & Rehab	110	85.5%
8	Grace Healthcare of Whites Creek	127	93.7%
9	Green Hills Health & Rehab Center	150	84.3%
10	Imperial Gardens Health & Rehab*	165	0.2%
11	Jackson Park Christian Home	28	84.0%
12	Kindred Nursing & Rehab - Madison	102	90.6%
13	Lakeshore Heartland	66	74.6%
14	McKendree Village	150	87.5%
15	Health Center at Richland Place	107	98.5%
16	The Meadows	113	100.4%
17	Trevecca Health Care Center	240	88.4%
18	Vanco Manor	90	96.3%
19	West Meade Place	120	80.4%
20	Woodcrest at Blakeford	83	94.9%
	Total Less Imperial Gardens	2,658 -165	82.5%
	Total	2,493	87.9%

Source: 2011 TN JAR Summary Reports, Schedule E - Beds 2011 JAR Reports, Schedule F Utilizations - Part 2, Resident Days of Care

^{*} Imperial Gardens only reported 117 resident days of care for 2011.

^{*} Life Care Center of Hickory Woods (124 beds) was licensed on 10/25/11 and was not included in the analysis.

^{*} Life Care Center of Old Hickory Village (124 beds) was licensed on 5/3/12 and was not included in the analysis.

Davidson County Nursing Homes 2010

		,	
	Nursing Home	Licensed Beds	Licensed Occupancy
1	Belcourt Terrace Nursing Home	49	81.8%
2	Bethany Health and Rehab Center	180	95.8%
3	Bordeaux Long Term Care	419	85.1%
4	Crestview Health and Rehabilitation	111	74.6%
5	Cumberland Manor	124	94.2%
6	Donelson Place Care and Rehabilitation Center	124	92.5%
7	Good Samaritan Health and Rehab Center	110	92.4%
8	Grace Healthcare of Whites Creek	127	84.6%
9	Greenhills Health and Rehabilitation Center	150	84.5%
10	Imperial Gardens Health and Rehabilitation	165	76.9%
11	Jackson Park Christian Home	28	90.9%
12	Lakeshore Heartland	66	97.2%
13	Lakeshore Wedgewood*	61	50.5%
14	Madison Healthcare and Rehabilitation Center	102	95.0%
15	McKendree Village	150	83.3%
16	The Health Center at Richland Place	107	98.4%
17	The Meadows	113	73.8%
18	Trevecca Health Care Center	240	90.3%
19	Vanco Manor Nursing and Rehabilitation Center	90	96.7%
20	West Meade Place	120	88.5%
21	Woodcrest at Blakeford	83	83.0%
	Total	2,719	85.8%

^{*}Lakeshore Wedegewood reported data from 1/1/10 - 3/31/10.

Source: 2010 TN JAR Summary Reports, Schedule E - Beds
2010 JAR Reports, Schedule F Utilizations - Part 2, Resident Days of Care

Section C – General Criteria – I.A. 4 Service Area JAR Report

2011 Joint Annual Report of Nursing Homes

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		Tennessee Counties	ounties									
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Crestview Health and Rehabilitation	Davidson					-	-	- 8			1	
Kindred Nursing and Rehabilitation - Madison	Davidson							74	-	İ	-	T
Imperial Gardens Health and Rehabilitation	Davidson							115			+	I
McKendree Village	Davidson		-			-		66				
The Health Center at Richland Place	Davidson							61	l		+	
Trevecca Health Care Center	Davidson	2						172			-	
Vanco Manor Nursing & Rehab Center	Davidson							85.1			+	T
Donelson Place Care and Rehabilitation	Davidson			-				75			-	
Bethany Health and Rehab Center	Davidson					-		148		-	1	
Good Samaritan Health and Rehab Center	Davidson				-			56		-	-	T
Cumberland Manor	Davidson						-	106				
West Meade Place	Davidson					m	-	82		ır		
Bordeaux Long Term Care	Davidson		2			e e	2	285		7	-	T
Jackson Park Christian Home, Inc.	Davidson						-	191			-	
Grace Healthcare of Whites Creek	Davidson							95		4		
Lakeshore Heartland	Davidson					-		49	-	2	-	
The Meadows	Davidson					-		58				
Green Hills Health and Rehabilitation Center	Davidson					10	-	89		2		
Woodcrest at Blakeford	Davidson							74				
Life Care Center of Hickory Woods	Davidson							5				

2011 Joint Annual Report of Nursing Homes

		Patient Origin	100	MARKED STR	100			18/0/24	0.50	F 100		1
		Tennessee Counties	Counties									
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NH Name	County	Franklin Gibson Hamilton Henry Houston Humphreys Jackson Knox Madison Maury	bson Ha	milton H	епгу Нос	iston Hur	nphreys	Jackson	Knox №	ladison M	aury Montgomery	nery Moore
Belcourt Terrace	Davidson			2			-					
Crestview Health and Rehabilitation	Davidson										-	-
Kindred Nursing and Rehabilitation - Madison	Davidson											-
Imperial Gardens Health and Rehabilitation	Davidson											
McKendree Village	Davidson		-									-
The Health Center at Richland Place	Davidson											
Trevecca Health Care Center	Davidson					-					1-	 -
Vanco Manor Nursing & Rehab Center	Davidson											
Donelson Place Care and Rehabilitation	Davidson						-					
Bethany Health and Rehab Center	Davidson											-
Good Samaritan Health and Rehab Center	Davidson											
Cumberland Manor	Davidson											_
West Meade Place	Davidson	1						1				-
Bordeaux Long Term Care	Davidson		1	-	-				1	2	4	8
Jackson Park Christian Home, Inc.	Davidson											
Grace Healthcare of Whites Creek	Davidson						2		_		-	8
Lakeshore Heartland	Davidson											
The Meadows	Davidson											
Green Hills Health and Rehabilitation Center	Davidson									2		
Woodcrest at Blakeford	Davidson											
Life Care Center of Hickory Woods	Davidson											
	3											- 12

2011 Joint Annual Report of Nursing Homes

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Davidson 8 1 Davidson 2 2 1 Davidson 4 1 1 Davidson 2 1 1 Davidson 1 1 1 er Davidson 4 4 1 er Davidson 4 4 1 Davidson 4 4 1 1 Davidson 44 4 1 1 Davidson 4 4 1 1	Bethany Health and Rehab Center	Davidson			4							
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Davidson 4 1 Davidson 2 1 Davidson 1 1 Davidson 4 4 Davidson 4 4 Davidson 4 4	West Meade Place	Davidson		2	2							
Davidson 2 Davidson 1 Davidson 1 Davidson 1 Davidson Davidson	Bordeaux Long Term Care	Davidson			4		1		5			1
Davidson 2 Davidson 1 Davidson 1 Davidson Davidson	Jackson Park Christian Home, Inc.	Davidson										
Davidson 1 Davidson 1 Davidson Davidson Davidson	Grace Healthcare of Whites Creek	Davidson		2	1				4			
Davidson 1 Davidson Davidson Davidson	Lakeshore Heartland	Davidson		1	1				-			
Davidson Davidson Davidson	The Meadows	Davidson	1									
	Green Hills Health and Rehabilitation Center	Davidson			4							
	Woodcrest at Blakeford	Davidson										
	Life Care Center of Hickory Woods	Davidson										

2011 Joint Annual Report of Nursing Homes

	1	Patient Origin	1 Ch. 1 Ch. 1		
STATE OF THE PARTY AND ADDRESS.	27	Tennessee Counties	counties		
NH Name	County	Weakley	Williamson	Wilson	Unknown County
Belcourt Terrace	Davidson		2	-	
Crestview Health and Rehabilitation	Davidson		1		
Kindred Nursing and Rehabilitation - Madison	Davidson			2	
mperial Gardens Health and Rehabilitation	Davidson				
McKendree Village	Davidson		1	10	
The Health Center at Richland Place	Davidson		2		36
revecca Health Care Center	Davidson		3	5	
Vanco Manor Nursing & Rehab Center	Davidson				
Donelson Place Care and Rehabilitation	Davidson		2	10	
Bethany Health and Rehab Center	Davidson		4		
Good Samaritan Health and Rehab Center	Davidson		3	2	
Cumberland Manor	Davidson			1	
West Meade Place	Davidson		1		
Bordeaux Long Term Care	Davidson	2	5	3	
Jackson Park Christian Home, Inc.	Davidson				
Grace Healthcare of Whites Creek	Davidson		3	1	
_akeshore Heartland	Davidson		4	4	
The Meadows	Davidson		2		
Green Hills Health and Rehabilitation Center	Davidson		10		ĸ
Woodcrest at Blakeford	Davidson				
ife Care Center of Hickory Woods	Davidson				

Davidson County Nursing Homes 2011

				SNF/NF Beds		Licensed Only	SNF	SNF	SNF	R	Ä	
		Licensed	SNF Beds -	Dually	NF Beds -	Beds -	Medicare/	Medicaid	All Other	Medicaid*	All Other	Licensed
	Nursing Home	Beds	Medicare	Certified	Medicaid	Non Certified	Level II ADC	ADC	Payors ADC	Level 1 ADC	Payors ADC	Occupancy
4°°	Belcourt Terrace	49	0	49	0	0	ဖ	-	0	30	5	85.8%
2	2 Bethany Health Care Center	180	0	06	06	0	33	18	0,36	86	18	93.3%
ന	Bordeaux Long Term Care	419	0	240	179	0	21	49	7	255	21	84.1%
4	4 Crestview Nursing Home	111	0	32	79	0	ω	ß	0	99	2	76.6%
10	5 Cumberland Manor	124	0	124	0	0	13	0	0	101	4	94.9%
9	6 Donelson Place Care & Rehab Center	124	0	124	0	0	21	က	2	99	8	81.0%
7	7 Good Samaritan Health & Rehab	110	0	30	80	0	13	4	-	7.1	ď	85.5%
8	8 Grace Healthcare of Whites Creek	127	0	127	0	0	17	0	0	82	19	93.7%
6	9 Green Hills Health & Rehab Center	150	0	150	0	0	30	0	0	89	89	84.3%
100	10 Imperial Gardens Health & Rehab*	165	0	87	78	0	0.08	0.03	0	0.19	0.02	0.2%
 57	21 Jackson Park Christian Home	28	0	0	0	28	0	0	0	0	24	94.0%
* 12 ×	12 Kindred Nursing & Rehab - Madison	102	0	102	0	0	14	0	11	64	ю	80.6%
13 L	13 Lakeshore Hearland	99	0	0	99	0	0	0	0	38	11	74.6%
4	14 McKendree Village	150	0	150	0	0	25	2	0.15	48	55	87.5%
15	15. Health Center at Richland Place	107	09	0	0	47	20	0	39	0	47	98.5%
16	16 The Meadows	113	10	0	0	103	0	0	0	0	114	100.4%
17 1	17 Trevecca Health Care Center	240	0	120	120	0	29	20	0.04	141	23	88.4%
18	18 Vanco Manor	90	0	06	0	0	26	0	0	52	o	96.3%
19 \	19 West Meade Place	120	0	90	09	0	38	2	0	20	36	80.4%
20 <	20 Woodcrest at Blakeford	83	83	0	0	0	25	0	-	0	54	94.9%
	Total Less Imperial Gardens	2,658	153	1,575 -87	752 -78	178	340 -0.08	105 -0.03	61	1,222	465 -0.02	82.5%
	Total	2,493	153	1,488	674	178	340	105	19	1.222	465	87.9%
										1		212:12

Source: 2011 TN JAR Summary Reports, Schedule E - Beds 2011 JAR Reports, Schedule F Utilizations - Part 2, Resident Days of Care

Includes TennCare MCO and all other Medicaid/TennCare Patient Days
 Imperial Gardens only reported 117 resident days of care for 2011.
 Life Care Center of Hickory Woods (124 beds) was licensed on 10/25/11 and was not included in the analysis.

Davidson County Nursing Homes 2010

			SNF/NF Beds		Licensed Only	SNF	SNF	SNF	Ŗ	ĸ	
	Licensed	SNF Beds -	Dually	NF Beds -	Beds -	Medicare/	Medicaid	All Other	Medicaid*	All Other	Licensed
Nursing Home	Beds	Medicare	Certified	Medicaid	Non Certified	Level II ADC	ADC	Payors ADC	Level 1 ADC	Payors ADC	Occupancy
Belcourt Terrace Nursing Home	49	0	17	32	0	9	ю	0,19	27	4	81.8%
2 Bethany Health and Rehab Center	180	0	06	06	0	30	20	0.10	104	19	95,8%
3 Bordeaux Long Term Care	419	0	179	240	0	19	55	7	254	22	85.1%
4 Crestview Health and Rehabilitation	111	0	32	62	0	æ	ĸ		69	0:30	74.6%
5 Cumberland Manor	124	0	124	0	0	14	0	0	66	4	94.2%
6 Donelson Place Care and Rehabilitation Center	124	0	124	0	0	22	10	0	72	11	92.5%
7 Good Samaritan Health and Rehab Center	110	0	30	80	0	13	-	-	82	Ŋ	92.4%
8 Grade Healthcare of Whites Creek	127	0	127	0	0	12	0	0	85	10	84.6%
9 Greenhills Health and Rehabilitation Center	150	0	150	0	0	31	75	22	0	0	84.5%
10 Imperial Gardens Health and Rehabilitation	165	0	87	78	0	30	19	က	62	12	76.9%
11 Jackson Park Christian Home	28	0	0	0	28	0	0	0	0	25	%6"06
12 Lakeshore Heartland	99	0	0	99	0	0	0	0	20	15	97.2%
13 Lakeshore Wedgewood*	61	23	0	0	38	r.	0	4	0	22	90.5%
14 Madison Healthcare and Rehabilitation Center	102	0	102	0	0	13	2	12	63	7	%0'56
15 McKendree Village	150	0	50	100	0	31	4	0.01	31	59	83.3%
16 The Health Center at Richland Place	107	09	0	0	47	18	0	41	0	46	98.4%
17 The Meadows	113	10	0	0	103	0	0	0	0	83	73.8%
Trevecca Health Care Center	240	0	120	120	0	29	18	0.32	145	24	90.3%
19 Vanco Manor Nursing and Rehabilitation Center	06	0	06	0	0	26	0	0	52	10	%2'96
20 West Meade Place	120	0	09	9	0	34	п	80	28	34	88.5%
21 Woodcrest at Blakeford	83	83	0	0	0	25	0	2	0	42	83.0%
Total	2,719	176	1,382	945	216	365	215	100	1,222	453	85.8%

*Includes TennCare MCO and all other Medicaid/TennCare Patient Days

^{*}Lakeshore Wedegewood reported data from 1/1/10 - 3/31/10.

Source: 2010 TN JAR Summary Reports, Schedule E - Beds 2010 JAR Reports, Schedule F Utilizations - Part 2, Resident Days of Care

Davidson County Nursing Homes 2009

	Licensed Beds	Medicare	SNF/NF Beds Dually Certified	NF Beds - Medicaid	Licensed Only Beds - Non Certified	SNF Medicare/ Level II ADC	NF Level I ADC	Licensed
1 Belcourt Terrace	49	0	17	32	0	9	31	79.6%
2 Bethany Health Care Center	180	0	06	90	0	30	123	95.8%
3 Bordeaux Long Term Care	419	0	179	240	0	19	281	84.0%
4 Crestview Nursing Home	111	0	32	79	0	10	67	76.6%
5 Cumberland Manor	124	0	124	0	0	10	101	91.9%
6 Donelson Place Care & Rehab Center	124	0	124	0	0	20	59	81.9%
7 Good Samaritan Health & Rehab	110	0	110	0	0	13	72	96.4%
8 Grace Healthcare of Whites Creek	127	0	127	0	0	ō	100	86.4%
9 Green Hills Health & Rehab Center	150	0	150	0	0	25	89	78.3%
10 Imperial Manor Convalescent Center	165	0	87	78	0	27	79	82.8%
11 Jackson Park Christian Home	28	0	0	0	28	0	26	92.8%
12 Lakeshore Heartland	99	0	0	99	0	0	64	97.6%
13 Lakeshore of Wedgewood	61	23	0	0	38	Ø	26	61.1%
14 Madison Healthcare & Rehab	102	0	102	0	0	17	71	92.6%
15 McKendree Village	300	0	50	250	0	22	70	31.4%
16 Health Center at Richland Place	107	09	0	0	47	19	46	98.4%
17 The Meadows	113	0	0	0	113	0	73	64.2%
18 Trevecca Health Care Center	240	0	120	120	0	29	165	91.7%
19 Vanco Manor	96	0	06	0	0	24	63	96.1%
20 West End Health Care Center*	13	0	0	0	13	0	S	36.8%
21 West Meade Place	120	0	70	50	0	40	53	84.7%
22 Woodcrest at Blakeford	02	70	0	0	0	22	37	84.1%
Total	2,869	153	1,472	1,005	239	351	1,704	81.2%

Source: 2009 TN JAR Summary Reports, Schedule E - Beds 2009 JAR Reports, Schedule F Utilizations - Part 2, Resident Days of Care

^{*} Reported data from 1/1/09 - 4/20/09

Section C. General Criteria – 2B

Davidson County Survey Results

Davidson County Nursing Facilities 3 Year Average Survey Results by Number of Defices

Facility	3 year Survey Dates	3 year Avg Deficiences	3 yr Avg Number of Hith Deficiences in TN	Difference in 3 yr Avg of Hith Deficiences in TN	Current Five Star Rating	2011 Occupancy
Belcourt Terrace	10/11/2012 7/20/2011 4/28/2010	11	6.0	5	1	85.8%
Bethany Health Care	9/13/2012 2/24/2011 1/6/2010	2	6,0	(4)	5	93.3%
Bordeaux Long Term Care	5/18/2011 3/30/2010 2/5/2009	10	6.0	4	3	84.1%
Crestview Health and Rehab (SFF)*	5/15/2012 2/24/2011 12/9/2009	18	6.0	12	2	76.6%
Cumberland Manor	1/25/2012 4/6/2011 10/26/2012	6	6.0	(0)	4	94.9%
Donelson Place Care & Rehab	8/16/2012 3/24/2011 4/21/2010	7	6.0	1	3	81.0%
Good Samaritan Health & Rehab	11/16/2011 8/25/2010 5/29/2009	8	6.0	2	3	85.5%
Grace Healthcare of Whites Creek	10/23/2012 7/27/2011 5/12/2010	5	6.0	(1)	3	93.7%
Greenhills Health & Rehab	3/14/2012 1/6/2011 10/7/2009	8	6.0	2	2	84,3%
Imperial Gardens Health & Rehab	7/18/2012 2/14/2012 8/3/2011	14	6.0	8	1	0.2%
Kindred Nursing & Rehab - Madison	8/10/2011 7/15/2010 5/13/2009	7	6.0	1	1	90.6%
Lakeshore Heartland	10/25/2012 5/5/2011 6/23/2010	7	6.0	1	3	74.6%
McKendree Village	8/22/2012 3/9/2011 2/24/2010	4	6.0	(2)	3	87.5%
Health Center at Richland Place	12/7/2011 9/15/2010 6/17/2009	2	6.0	(4)	2	98.5%
The Meadows	8/9/2012 6/2/2011 4/6/2010	2	6,0	(4)	4	100.4%
Trevecca Health Care Center	10/3/2012 1/27/2011 2/10/2010	2	6.0	(4)	4	88.4%
Vanco Manor Nursing & Rehab	8/17/2011 7/21/2010 5/20/2009	3	6.0	(3)	2	96.3%
West Meade Place	5/4/2011 2/23/2010 11/19/2008	7	6.0	1	2	80.4%
Woodcrest at Blakeford	3/15/2012 1/12/2011 10/28/2009	4	6.0	(2)	5	94.9%

^{*} SFF Facility: If a nursing home has a recent history of persistent poor quadity of care, as indicated by the findings of state or Federal inspection teams, it is considered a Special Focus Facility (SFF).

Source: Medicare web site - Nursing Home Compare

Davidson County Nursing Facilities State Survey Results by Number of **96** iciencies

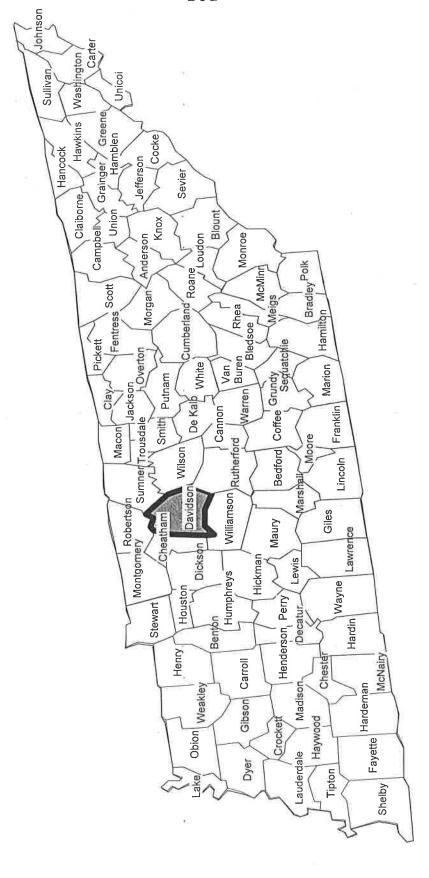
Facility	Survey Date	Number of Health Deficiencies	Average Number of Hith Deficiences in TN	Difference in Avg Number of HIth Deficiences in TN	Average Number of Hith Deficiences in US	Difference in Av Number of Hith Deficiences in U
Belcourt Terrace	10/11/2012	9	7.4	2	7.5	2
	7/20/2011	8	5.7	2	7.2	1
	4/28/2010	16	4.8	11	7.4	9
Bethany Health Care	9/13/2012	3	7.4	(4)	7.5	(5)
	2/24/2011	1	5.7	(5)	7.2	(6)
	1/6/2010	2	4.8	(3)	7.4	(5)
Bordeaux Long Term Care	5/18/2011	9	7.4	2	7,5	2
	3/30/2010	5	5.7	(1)	7.2	(2)
	2/5/2009	15	4.8	10	7.4	8
Crestview Health and Rehab (SFF)*	5/15/2012	37	7.4	30	7.5	30
	2/24/2011	9	5.7	3	7.2	2
	12/9/2009	7	4.8	2	7.4	(0)
Cumberland Manor	1/25/2012	3	7.4	(4)	7.5	(5)
	4/6/2011	9	5.7	3	7.2	2
	10/26/2012	5	4.8	0	7.4	(2)
Donelson Place Care & Rehab	8/16/2012	15	7.4	8	7.5	8
	3/24/2011	4	5.7	(2)	7.2	(3)
	4/21/2010	1	4.8	(4)	7.4	(6)
Good Samaritan Health & Rehab	11/16/2011	10	7.4	3	7.5	3
	8/25/2010	4	5.7	(2)	7.2	(3)
	5/29/2009	11	4.8	6	7.4	4
Grace Healthcare of Whites Creek	10/23/2012	6	7.4	(1)	7.5	(2)
	7/27/2011	8	5.7	2	7.2	1
	5/12/2010	2	4.8	(3)	7.4	(5)
Greenhills Health & Rehab	3/14/2012	10	7.4	3	7.5	3
	1/6/2011	8	5.7	2	7.2	1
	10/7/2009	5	4.8	0	7.4	(2)
Imperial Gardens Health & Rehab	7/18/2012	18	7.4	11	7.5	11
	2/14/2012	11	5.7	5	7.2	4
	8/3/2011	12	4.8	7	7.4	5
Kindred Nursing & Rehab - Madison	8/10/2011	10	7.4	3	7.5	3
	7/15/2010	5	5.7	(1)	7.2	(2)
	5/13/2009	5	4.8	0	7.4	(2)
Lakeshore Heartland	10/25/2012	9	7.4	2	7.5	2
	5/5/2011	7	5.7	1	7.2	(0)
	6/23/2010	4	4.8	(1)	7.4	(3)
McKendree Village	8/22/2012	4	7.4	(3)	7.5	(4)
	3/9/2011	5	5.7	(1)	7.2	(2)
	2/24/2010	4	4.8	(1)	7.4	(3)
Health Center at Richland Place	12/7/2011	4	7.4	(3)	7.5	(4)
	9/15/2010	3	5.7	(3)	7.2	(4)
	6/17/2009	0	4.8	(5)	7.4	(7)
The Meadows	8/9/2012	4	7.4	(3)	7.5	(4)
	6/2/2011	2	5.7	(4)	7.2	(5)
	4/6/2010	0	4.8	(5)	7.4	(7)
Trevecca Health Care Center	10/3/2012	1	7.4	(6)	7.5	(7)
	1/27/2011	3	5.7	(3)	7.2	(4)
	2/10/2010	2	4.8	(3)	7.4	(5)
Vanco Manor Nursing & Rehab	8/17/2011	7	7.4	(0)	7.5	(1)
	7/21/2010	1	5.7	(5)	7.2	(6)
	5/20/2009	1	4.8	(4)	7.4	(6)
West Meade Place	5/4/2011	9	7.4	2	7.5	2
	2/23/2010	9	5.7	3	7.2	2
	11/19/2008	3	4.8	(2)	7.4	(4)
Woodcrest at Blakeford	3/15/2012	6	7.4	(1)	7.5	(2)
	1/12/2011	3	5.7	(3)	7.2	(4)
	10/28/2009	2	4.8	(3)	7.4	(5)

^{*} SFF Facility: If a nursing home has a recent history of persistent poor quality of care, as indicated by the findings of state or Federal inspection teams, it is considered a Special Focus Facility (SFF).

Source: Medicare web site - Nursing Home Compare

Section C – General Criteria - 3 Service Area Map

The Health Center of Hermitage Service Area



Section C - Economic Feasibility – 1

Project Costs Chart & Assumptions

The Health Qentar of Hermitage 90 Beds

PROJECT COSTIS CHART

				9.0	-
٨	Construction	000	aguinmant	and ired h	v. nurobooo.
Α.	Construction	anu	equipment	acquired t	y purchase.

	Architectural and Engineering Fees	767,600
	2. Legal, Administrative, Consultant Fees	89,700
	3. Acqusition of Site (Builiding, including estimated closing costs)	1,530,000
	4. Preparation of Site	2,574,600
	5. Construction Costs	12,231,100
	6. Contingency Fund	611,600
	7. Fixed Equipment (Not included in Construction Contract)	686,900
	8. Moveable Equipment (List all equipment over \$50,000)	706,300
	9. Other (Specify) Landscaping, pre-opening, impact fees	275,000
В.	Acqusition by gift, donation or lease:	ý
	Facility (Inclusive of building and land)	
	2. Building Only	0
	3. Land Only	
	4. Equipment (Specify)	
	5. Other (Specify)	
C.	Financing costs and Fees:	
	1. Interim Financing	624,200
	2. Underwriting Costs	
	3. Reserve for One Year's Debt Service	18
	4. Other (Specify)	
D.	Total Estimated Project Cost (A + B + C)	20,097,000
E.	CON Filing Fee	45,000.00
	Total Estimated Project Cost (D + E)	\$ 20,142,000

The Health Center of Hermitage 90 Beds Project Costs Charts Assumptions

Architectural/Engineering		
Architect	\$	611,300
Civil and Landscaping		55,000
Materials and SWWP Inspection		56,800
Test & balance study		44,500
Total	\$	767,600
	9	,
Fixed Equipment		
Kitchen, Laundry, Asst. Bathing, Signage & Miscellane	c_\$_	686,900
Otheris Consta		
Other Costs		
Landscaping	\$	150,000
Impact Fees		50,000
Start up costs (pre-opening)		75,000
Total	\$	275,000

Johnson + Bailey Architects P.C.



May 28, 2013

Mr. Bruce Duncan National HealthCare Corporation 100 East Vine Street Murfreesboro, TN 37130

Re: The Health Center of Hermitage

Dear Bruce:

Based upon a new construction total building area of 70,054 sq. ft., and a 1,000 sq. ft. Maintenance building, it is my opinion, based upon recently completed similar projects, that the total construction costs for the referenced project should be \$12,231,100 or approximately \$172.00 per sq. ft. exclusive of site development, equipment, and other soft costs.

The plans have been designed in compliance with the applicable building and life safety codes and to the requirements specified in the latest adopted edition of the Guidelines for the Design and Construction of Health Care Facilities.

Please advise if you require any additional information relative to construction costs for this project.

Sincerely,

JOHNSON + BAILEY ARCHITECTS P.C.

James H. Bailey III AIA President

Section C – Economic Feasibility - 2 Project Funding



June 11, 2013

Ms. Melanie Hill, Executive Director State of Tennessee Health Services and Development Agency 161 Rosa L. Parks Blvd, 3rd Floor Nashville, TN 37243

RE: The Health Center of Hermitage (Davidson County), New 90 Bed Facility

\$20,142,000

Dear Ms. Hill:

National HealthCare Corporation, a NYSE Amex publicly traded company with over \$66,000,000 of cash and cash equivalents, as stated in the December 31, 2012 10-K, will make available all the necessary funds for the operation and working capital for the above referenced project. These funds are available on immediate notice.

Should you have any further questions or comments, please advise.

Sincerely,

NATIONAL HEALTHCARE CORPORATION

Donald K. Daniel

Senior Vice President and Controller

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

FORM 10-Q

☑ QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the quarterly period ended March 31, 2013
OR
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period fromto
Commission file number <u>001–13489</u>
NHC
National Health Care Corporation
(Exact name of registrant as specified in its Charter)
Delaware 52-2057472
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization Identification No.)
100 E. Vine Street
Murfreesboro, TN
<u>37130</u>
(Address of principal executive offices)
(Zip Code)
(615) 890–2020
Registrant's telephone number, including area code
Indicate by check mark whether the registrant: (1) Has filed all reports required to be filed by Section 13 or 15(d), of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [x] No []
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S–T (§232.405 of this chapter) during the preceding 12 months (or for such period that the registrant was required to submit and post such files). Yes [x] No []
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated file," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):
Large Accelerated filer [] Accelerated filer [x]
Non-accelerated filer (Do not check if a smaller reporting company) []
Indicate by check mark whether the registrant is a shell company (as is defined in Rule 12b-2 of the Exchange Act). Yes [] No [x]
14.065.202 charge of common stock of the registrent were outstanding as of May 2.2012

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

NATIONAL HEALTHCARE CORPORATION Interim Condensed Consolidated Statements of Income

(Unaudited)

(in thousands, except share and per share amounts)

Three Months Ended March 31 2013 2012 (as adjusted) Revenues: \$ 176,113 178,430 Net patient revenues 15,948 13,937 Other revenues 194,378 190,050 Net operating revenues Cost and Expenses: 106,471 107,063 Salaries, wages and benefits 51,528 54,411 Other operating 9,847 9,868 Facility rent 7,380 6,956 Depreciation and amortization 84 118 Interest 175,344 178,382 Total costs and expenses 15,996 14,706 Income Before Non-Operating Income 6,618 5,868 Non-Operating Income 20,574 22,614 Income Before Income Taxes (7,920)(8,809)Income Tax Provision 13,805 12,654 Net Income (2,168)Dividends to Preferred Stockholders (2,168)Net Income Available to Common 10,486 11,637 Stockholders Earnings Per Common Share: 0.76 0.84 Basic 0.75 0.82 Diluted Weighted Average Common Shares Outstanding: 13,840,079 13,861,584 Basic 13,908,274

The accompanying notes to interim condensed consolidated financial statements are an integral part of these consolidated statements.

14,111,752

Diluted

NATIONAL HEALTHCARE CORPORATION Interim Condensed Consolidated Statements of Comprehensive Income (Unaudited – in thousands)

			Months Ended March 31			
	22	2013		2012		
Net Income	\$	13,805	\$	(as adjusted) 12,654		
Other Comprehensive Income: Unrealized gains on investments in						
marketable securities Less: Reclassification adjustment for		15,764		8,656		
realized gains on sale of securities Income tax expense related to items of		(230)		(687)		
other comprehensive income		(6,090)		(3,110)		
Other comprehensive income, net of tax	-	9,444		4,859		
Comprehensive Income	\$	23,249	\$	17,513		

The accompanying notes to interim condensed consolidated financial statements are an integral part of these consolidated statements.

NATIONAL HEALTHCARE CORPORATION Interim Condensed Consolidated Balance Sheets (in thousands)

	March 31, 2013	December 31, 2012
	(unaudited)	(as adjusted)
Assets		
Current Assets:		
Cash and cash equivalents	\$ 73,839	\$ 66,701
Restricted cash and cash equivalents	17,376	11,563
Marketable securities	123,577	107,250
Restricted marketable securities	134,782	135,207
Accounts receivable, less allowance for doubtful accounts		
of \$3,407 and \$3,166, respectively	75,687	74,693
Inventories	6,558	6,660
Prepaid expenses and other assets	2,917	1,132
Notes receivable	5,950	5,840
Federal income tax receivable	± -	5,933
Total current assets	440,686	414,979
Property and Equipment:		(85.455
Property and equipment, at cost	681,818	675,455
Accumulated depreciation and amortization	(261,501)	(254,548)
Net property and equipment	420,317	420,907
Other Assets:	108	143
Deposits	17,600	17,600
Goodwill	15,445	15,949
Notes receivable	13,844	12,817
Deferred income taxes	41,823	40,039
Investments in limited liability companies	88,820	86,548
Total other assets	\$ 949,823	\$ 922,434
Total assets	Φ <u>747,043</u>	Ψ 722,734

The accompanying notes to interim condensed consolidated financial statements are an integral part of these consolidated statements.

The balance sheet at December 31, 2012 is taken from the audited consolidated financial statements at that date.

NATIONAL HEALTHCARE CORPORATION Interim Condensed Consolidated Balance Sheets (in thousands, except share and per share amounts)

	March 31, 2013		December 31, 2012		
	(ı	ınaudited)		as adjusted)	
Liabilities and Stockholders' Equity					
Current Liabilities:					
Trade accounts payable	\$	10,948	\$	10,555	
Accrued payroll		35,385		37,243	
Amounts due to third party payors		16,826		17,001	
Accrued risk reserves		114,367		110,331	
Deferred income taxes		30,420		24,474	
Other current liabilities		23,182		20,411	
Dividends payable		6,461		6,480	
Total current liabilities	10	237,589	_	226,495	
Long-term debt		10,000		10,000	
Refundable entrance fees		10,837		10,680	
Deferred revenue		6,334		3,430	
Obligation to provide future services		1,791		1,791	
Other noncurrent liabilities		14,462		13,890	
Stockholders' Equity:					
Series A Convertible Preferred Stock; \$.01 par value; 25,000,000 shares authorized; 10,838,305 and 10,838,412 shares, respectively, issued and					
outstanding; stated at liquidation of \$15.75 per share Common stock, \$.01 par value; 30,000,000 shares authorized; 14,058,152 and 14,158,127 shares,		170,512		170,514	
respectively, issued and outstanding		- 140		141	
Capital in excess of par value		150,493		154,692	
Retained earnings		287,413		279,993	
Accumulated other comprehensive income		60,252		50,808	
Total stockholders' equity	-	668,810		656,148	
Total liabilities and stockholders' equity	\$	949,823	\$	922,434	

The accompanying notes to interim condensed consolidated financial statements are an integral part of these consolidated statements.

The balance sheet at December 31, 2012 is taken from the audited consolidated financial statements at that date.

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K
(Mark One) [X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES AND EXCHANGE ACT OF 1934 For the fiscal year ended December 31, 2012 OR
[] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the transition period from
Commission File No. 001-13489
NHC
NATIONAL HEALTHCARE CORPORATION
(Exact name of registrant as specified in its Corporate Charter)
Delaware 52-2057472
(State of Incorporation) (I.R.S. Employer I.D. No.)
100 Vine Street Murfreesboro, Tennessee 37130 (Address of principal executive offices) Telephone Number: 615-890-2020
Securities registered pursuant to Section 12(b) of the Act.
Title of Each Class Shares of Common Stock Shares of Preferred Cumulative Convertible Stock Name of Each Exchange on which Registered NYSE MKT NYSE MKT
Securities registered pursuant to Section 12(g) of the Act: None
Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [] No [x]
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes [] No [x]
Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes [x] No []
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such period that the registrant was required to submit and post such files). Yes [x] No []
Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [x]
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company (as defined in Rule 12b-2 of the Act). Large accelerated filer [] Accelerated filer [x] Non-accelerated filer [] Smaller reporting company []
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [] No [x]
The aggregate market value of Common Stock held by non-affiliates on June 30, 2012 (based on the closing price of such shares on the NYSE MKT) was approximately \$308 million. For purposes of the foregoing calculation only, all directors, named executive officers and persons known to the Registrant to be holders of 5% or more of the Registrant's Common Stock have been deemed affiliates of the Registrant. The number of shares of Common Stock outstanding as of February 12, 2013 was 14,158,127.

The following documents are incorporated by reference into Part III, Items 10, 11, 12, 13 and 14 of this Form 10-K: The Registrant's definitive proxy statement for its 2013 shareholder's meeting.

Documents Incorporated by Reference

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders National HealthCare Corporation

We have audited the accompanying consolidated balance sheets of National HealthCare Corporation as of December 31, 2012 and 2011 and the related consolidated statements of income, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2012. Our audits also included the financial statement schedule listed in Item 15(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of National HealthCare Corporation at December 31, 2012 and 2011 and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2012, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), National HealthCare Corporation's internal control over financial reporting as of December 31, 2012, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 15, 2013, expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Nashville, Tennessee February 15, 2013

NATIONAL HEALTHCARE CORPORATION

Consolidated Statements of Income

(in thousands, except share and per share amounts)

	Year Ended December 31,					
	-	2012	2011			2010
Revenues:	. **					
Net patient revenues	\$	705,386	\$	715,489	\$	663,629
Other revenues		55,876	-	58,048		57,024
Net operating revenues	_	761,262	-	773,537	-	720,653
Costs and Expenses:						
Salaries, wages and benefits		426,934		428,672		400,270
Other operating		198,691		198,439		197,016
Rent		39,355		39,736		38,086
Depreciation and amortization		29,792		28,901		27,141
Interest	- 2	455	_	443	-	513
Total costs and expenses	-	695,227		696,191	=	663,026
Income Before Non-Operating Income		66,035		77,346		57,627
Non-Operating Income	1	25,245	-	20,533		23,340
Income Before Income Taxes		91,280		97,879		80,967
Income Tax Provision	-	(33,323)		(33,807)		(28,272)
Net Income		57,957		64,072		52,695
Dividends to Preferred Stockholders		(8,671)	-	(8,671)	-	(8,673)
Net Income Available to Common Stockholders	\$_	49,286	\$	55,401	\$_	44,022
Earnings Per Common Share:						
Basic	\$	3.56	\$	4.02	\$	3.22
Diluted	\$	3.49	\$	3.90	\$	3.22
Weighted Average Common Shares Outstanding:						
Basic		13,852,709		13,774,628		13,671,053
Diluted		16,598,816		16,414,023		13,676,476

The accompanying notes to consolidated financial statements are an integral part of these consolidated statements.

NATIONAL HEALTHCARE CORPORATION Consolidated Statements of Comprehensive Income (in thousands)

	Year Ended December 31,				31,	
		2012		2011		2010
Net Income	\$	57,957	\$	64,072	\$	52,695
Other Comprehensive Income: Unrealized gains on investments in						
marketable securities		23,099		598		15,016
Income tax expense related to items of other						
comprehensive income		(8,993)		(183)		(5,809)
Other comprehensive income, net of tax		14,106		415	-	9,207
Comprehensive Income	\$	72,063	\$	64,487	\$	61,902

The accompanying notes to consolidated financial statements are an integral part of these consolidated statements. \bigcirc

NATIONAL HEALTHCARE CORPORATION

Consolidated Balance Sheets

(in thousands)

		December 31,		
		2012		2011
Assets				
Current Assets:				
Cash and cash equivalents	\$	66,701	\$	61,008
Restricted cash and cash equivalents		11,563		50,587
Marketable securities		107,250		85,051
Restricted marketable securities		135,207		83,625
Accounts receivable, less allowance for doubtful				
accounts of \$3,166 and \$3,713, respectively		74,693		71,696
Inventories		6,660		7,419
Prepaid expenses and other assets		1,132		1,082
Notes receivable		5,840		1,260
Federal income tax receivable	_	5,933	_	6,470
Total current assets		414,979		368,198
Property and Equipment:				
Property and equipment, at cost		675,455		659,523
Accumulated depreciation and amortization		(254,548)		(229,872)
Net property and equipment		420,907	_	429,651
Other Assets:				
Deposits		143		397
Goodwill		17,600		20,320
Notes receivable		15,949		21,189
Deferred income taxes		10,564		10,167
Investments in limited liability companies		40,039		20,502
Total other assets	-	84,295	-	72,575
Total assets	\$	920,181	\$	870,424
			100	

The accompanying notes to consolidated financial statements are an integral part of these consolidated statements.

NATIONAL HEALTHCARE CORPORATION

Consolidated Balance Sheets

(in thousands, except share and per share amounts)

		December 31,		
		2012		2011
Liabilities and Stockholders' Equity Current Liabilities:			_	
Trade accounts payable	\$	10,555	\$	9,834
Accrued payroll		37,243	-	54,063
Amounts due to third party payors		17,001		16,807
Accrued risk reserves		110,331		98,732
Deferred income taxes		24,474		14,526
Other current liabilities		20,411		20,335
Dividends payable		6,480		6,362
Total current liabilities		226,495	-	220,659
			-	
Long-Term Debt		10,000		10,000
Other Noncurrent Liabilities		13,890		16,244
Deferred Revenue		10,124		11,785
Stockholders' Equity:				
Series A Convertible Preferred Stock; \$.01 par value;				
25,000,000 shares authorized; 10,838,412 and				
10,838,490 shares, respectively, issued and				
outstanding; stated at liquidation value of \$15.75 per				
share		170,514		170,515
Common stock, \$.01 par value; 30,000,000 shares		1,0,511		170,515
authorized; 14,158,127 and 13,862,738 shares,				
respectively, issued and outstanding		141		138
Capital in excess of par value		154,692		139,183
Retained earnings		283,517		265,198
Accumulated other comprehensive income		50,808		36,702
Total stockholders' equity	1	659,672	_	611,736
Total liabilities and stockholders' equity	\$	920,181	<u>_</u>	870,424
wire property offite?	Ψ.	720,101	Ψ==	070,424

The accompanying notes to consolidated financial statements are an integral part of these consolidated statements.

Section C Economic Feasibility – 4 Historical & Projected Data Charts w/Assumptions

The Health **₫௳௰**r of Hermitage 90 Beds

HISTORICAL DATA CHART

Give information for the last three or agency. The fiscal year begins	e (3) years for which comple s in	ete data (Moi	BrelleVailei nth).	ble for th	e facility		
		2	2010	2	2011		2012
A. Utilization Data (Specify unit of m	easure) Patient Days						V 2
B. Revenue from Services to Patient	s						
 Inpatient Services Outpatient Services Emergency Services Other Operating Revenue (Specify) 							
	Gross Operating Revenue	\$	(7#6 	\$		\$	<u> </u>
C. Deductions for Operating Revenu	e						
 Contractual Adjustments Provision for Charity Care Provisions for Bad Debt 				-			
	Total Deductions	\$		\$	11	\$	
NET OPERATING REVENUE	9	\$	-	\$	-	\$	-
D. Operating Expenses	197 No.						
 Salaries and Wages Physician's Salaries and Wage Supplies Taxes Depreciation Rent Interest, other than Capital Management Fees: Fees to Affiliates Fees to Non-Affiliates Other Expenses (Specify) 	· 185 3						
	Total Operating Expenses	_\$		\$		\$	7,00
E. Other Revenue (Expenses)Net (Specify)					-	<u>_</u>
NET OPERATING INCOME (LOSS)		\$		\$	¥	\$	251
F. Capital Expenditures							
Retirement of Principal Interest							
	Total Capital Expenditures	\$	(e))	\$	<u> </u>	\$	
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES	94 *	\$		\$	<u></u>	\$	

PROJECTED WATALCHART 2 04

Give information for the two (2) years following completion of this proposal. The fiscal year begins in November (Month).

	May-17 May-1	8
A. Utilization Data (Specify unit of measure) (Patient D (Specify unit of measure) (% Occup	ays) 8,749 25	5,829 3.63%
B. Revenue from Services to Patients		
 Inpatient Services Outpatient Services Emergency Services Other Operating Revenue (Specify) 	\$4,693,023 \$14,462	2,962
Gross Operatin	g Revenue \$ 4,693,023 \$ 14,462	,962
C. Deductions for Operating Revenue		
 Contractual Adjustments Provision for Charity Care Provisions for Bad Debt 		(,488) (,242) (,215)
Total E	deductions \$ (1,361,779) \$ (4,294	,945)
NET OPERATING REVENUE	\$ 3,331,244 \$ 10,168	,017
 D. Operating Expenses Salaries and Wages Physician's Salaries and Wages Supplies Taxes Depreciation Rent Interest, other than Capital Management Fees Fees to Affiliates Fees to Non-Affiliates Other Expenses (Specify) - SEE ATTACHED SO 	75,935 231 330,702 340 618,133 618 99,937 304	,800 ,334 ,623 ,133
Total Operating	\$	
E. Other Revenue (Expenses)—Net (Specify)		,004
NET OPERATING INCOME (LOSS)	\$ (2,099,542) \$ 65	,113_
F. Capital Expenditure		
Retirement of Principal Interest		X
Total Capital Ex	penditures \$ - \$	
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES	\$ (2,099,542) \$ 65	,113

PROJECTED DATA CHART SUPPLEMENT The Health Center of Berinitage 2019 PROJECTED DATA YEAR 2

	Salaries	Other	Total
Inhalation Therapy		\$ 97,060	\$ 97,060
Occupational Therapy		661,287	661,287
Physical Therapy		738,483	738,483
Speech Pathology		146,740	146,740
Pharmacy		956,757	956,757
Lab and Radilology		118,762	118,762
IV Therapy		137,892	137,892
Nursing Service	\$2,002,494	798,067	2,800,561
Social Service	125,340	41,202	166,542
Activities	70,503	28,351	98,854
Dietary	256,563	341,105	597,668
Plant Operations	88,218	533,826	622,044
Housekeeping	187,398	83,763	271,161
Laundry and Linen	73,484	40,602	114,086
Medical Records	65,557	31,151	96,708
Adminstrative and General	249,202	672,638	921,840
Totals	\$3,118,759	\$5,427,686	\$ 8,546,445

PROJECTED DATA CHART SUPPLEMENT The Health Center DATA PROJECTED DATA YEAR 1

	Salaries	Other	Total
Inhalation Therapy	*	\$ 31,843	\$ 31,843
Occupational Therapy		262,597	262,597
Physical Therapy		146,259	146,259
Speech Pathology		142,774	142,774
Pharmacy		314,298	314,298
Lab and Radiology		39,053	39,053
IV Therapy		45,334	45,334
Nursing Service	932,873	533,155	1,466,028
Social Service	87,402	17,994	105,396
Activities	40,644	11,533	52,177
Dietary	133,409	122,070	255,479
Plant Operations	53,704	503,736	557,440
Housekeeping	92,573	34,282	126,855
Laundry and Linen	30,818	14,789	45,607
Medical Records	37,744	11,685	49,429
Adminstrative and General	191,434_	414,075	605,509
Totals	\$1,600,601	\$2,645,477	\$ 4,246,078

The Health Center of Hermitage OCCUPANCY SUMMARY FILL RATE = 4 NET PATIENTS PER MONTH

YEAR 2	May-18	Apr-18	Mar-18	Feb-18	Jan-18	Dec-17	Nov-17	Oct-17	Sep-17	Aug-17	Jul-17	Jun-17	YEAR 1	May-17	Apr-17	Mar-17	Feb-17	Jan-17	Dec-16	Nov-16	Oct-16	Sep-16	Aug-16	Jul-16	Jun-16	MONTH	
48.00	85.50	85.50	84.00	80.00	76.00	72.00	68.00	64.00	60.00	56.00	52.00	48.00	0.00	44.00	40.00	36.00	32.00	28.00	24.00	20.00	16.00	12.00	8.00	4.00	0.00	DEGINNING OF MONTH	OENSIIS AT
37.50	0.00	0.00	1.50	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	48.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	INCREASE IN PATIENTS	N Ti T
85.50	85.50	85.50	85.50	84.00	80.00	76.00	72.00	68.00	64.00	60.00	56.00	52.00	48.00	48.00	44.00	40.00	36.00	32.00	28.00	24.00	20.00	16.00	12.00	8.00	4.00	OF MONTH	CENSUS AT
	85.50	85.50	84.75	82.00	78.00	74.00	70.00	66.00	62.00	58.00	54.00	50.00		46.00	42.00	38.00	34.00	30.00	26.00	22.00	18.00	14.00	10.00	6.00	2.00	CENSUS FOR MONTH	
365	31	30	31	28	31	31	30	32	30	3	31	30	365	31	30	<u>ω</u>	28	<u>3</u>	<u>3</u>	30	<u>3</u>	30	<u>ω</u>	<u>3</u>	30	DAYS IN	
25,829	2,651	2,565			2,418	2,294	2,100	2,046	1,860	1,798	1,674	1,500	8,749	1,429	1,260	1,178	952	930	806	660	558	420	310	186	60	PATIENT DAYS	
32,850	2,790	2,700	2,790	2,520	2,790	2,790	2,700	2,790	2,700	2,790	2,790	2,700	32,850	2,790	2,700	2,790	2,520	2,790	2,790	2,700	2,790	2,700	2,790	2,790	2,700	DAYS	DATIENT
78.63%	95.02%	95.00%	94.16%	91.11%	86.67%	82.22%	77.78%	73.33%	68.89%	64.44%	60.00%	55.56%	26.63%	51.22%	46.67%	42.22%	37.78%	33.33%	28.89%	24.44%	20.00%	15.56%	11.11%	6.67%	2.22%	% OCCUPANCY	

24 % OF PATIENT DAYS 25 REVENUE PER PATIENT DAY 26 TOTAL NUMBER NURSING HOME BEDS 27 TOTAL NUMBER OTHER BEDS 28 AVERAGE OCCUPANCY NURSING HOME 29 AVERAGE OCCUPANCY OTHER	20 TOTAL REVENUE 22 % OF NURSING HOME REVENUE 23 PATIENT DAYS	17 TOTAL NURSING HOME REVENUE 18 TOTAL RESTRICTED GRANTS/DONATIONS 19 NON NURSING HOME REVENUES	14 ALLOWANCE FOR BAD DEBTS 15 CONTRACTUAL ADJUSTMENTS 16 PRIVATE ROOM REVENUE	12 OUTPATIENT CLINIC 13 OTHER NURSING HOME REVENUE	9 RADIOLOGY/MEDICAL SERVICES 10 OTHER - INHALATION THERAPY 60 OTHER ANCILLARY - IV THERAPY	6 MEDICAL SUPPLIES 7 PHARMACY 8 LAB	1 ROUTINE SERVICES 2 PHYSICAL THERAPY 3 SPEECH THERAPY 4 OCCUPATIONAL THERAPY 5 AUDIOLOGICAL THERAPY	PROJECTED REVENUES (TOTAL FACILITY) FOR NURSING HOME PROJECTS PAGE 1
40.64% 277.38	986,359 29.61% 3,556	986,359	(2,472)		5,980 602	10,284 20,136 117	942,569 7,907 1,130 105	PVT -PVT (1)
4.68% 263.46	107,756 3,23% 409	107,756	(270)		688 69	1,183 2,316 13	102,705 909 130 12	Semi-Private (2)
4,68% 270,42	110,602 3,32% 409	110,602	(277)		688 69	1,183 2,316 13	105,558 909 130 12	SP - Comp
#DIV/0!			ř					ICF Moaid
29.24% 495.02	1,266,251 38.01% 2,558	1,266,251	(3,174) (705,652)		13,229 10,911 37,803	16,684 216,791 17,654	639,500 482,467 133,658 406,380	MEDICARE
20.76% 447.50	812,655 24.39% 1,816	812,655 \\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	(2,037) (647,786) !!!!!!!!!!!!		8,908 9,642 13,950	7,499 171,744 11,862	454,000 389,100 82,814 312,959	PROJECTED OP Managed Care (5)
#DIV/0!					ž		9 0	PERATING YEAR 1 ENDING MEDICARE Hospice PART B (6) (7)
	1.33%	44,264	(117)		: !		14,780 4,975 24,620	AR 1 ENDING MEDICARE PART B (7)
0.38	0.10%	3,357		3,357				MISC (8)
								May-17 RESTRICTED GRANTS & DONATIONS (9)
			111111111111111111111111111111111111111					NON NURSING HOME REVENUE
100,00% 380,76 90 26,63%	3,331,244 100.00% 8,749	3,331,244	(8,341) (1,353,438)	3,357	22,137 27,909 52,494	36,833 413,303 29,660	2,244,332 896,073 222,837 744,088	TOTAL (11)

23 PATIENT DAYS 24 OF PATIENT DAYS 24 0.649 25 REVENUE PER PATIENT DAY 25 REVENUE PER PATIENT DAY 25 TOTAL NUMBER NURSING HOME BEDS 27 TOTAL NUMBER OTHER BEDS 28 AVERAGE OCCUPANCY NURSING HOME 29 AVERAGE OCCUPANCY OTHER	3,0	S CONTRACTUAL ADJUSTMENTS 6 PRIVATE ROOM REVENUE 7 TOTAL NURSING HOME REVENUE 3,042,622	IUE		5 AUDIOLOGICAL THERAPY 6 MEDICAL SUPPLIES 7 PHARMACY 62,	2,9	PROJECTED REVENUES (TOTAL FACILITY) FOR NURSING HOME PROJECTS PAGE 2 PVT -PVT
70,497 40,64% 289.86	22	22	26)	99 99	31,723 62,098	3,484 3,23 3,23	
1,209 4,68% 275.31	332,855	332,855	(834)	2,122 2,122 214	3,654 7,152	317,258 2,809 401 37	Sem⊱Private (2)
1,209 4.68% 282.59	341,646	341,646	(856)	41 2,122 214	3,654 7,152	326,071 2,809 401 37	SP - Comp
#DIV/0!							ICF Moaid (3A)
7,552 29.24% 504.91	3,813,114	(2,260,955)	(9,557)	54,424 40,753 33,626 116,624	51,478 668,736	1,963,520 1,488,461 412,251 1,253,753	MEDICARE
5,362 20,76% 464,45	2,490,401	(2,008,533) 2,490,401	(6,242)	36,569 27,441 29,714 43,038	23,139 529,781	1,394,120 1,200,413 255,428 965,533	PROJECTED (Managed Care (5)
#DIV/0!						Ξ,	PROJECTED OPERATING YEAR 2 ENDING Managed MEDICARE Care Hospice PART B (5) (6) (7)
	136,558	136,558				45,598 15,344 75,958	AR 2 ENDING MEDICARE PART B (7)
0.42	10,821	10,821	10,821				MISC (8)
							May-18 RESTRICTED GRANTS & DONATIONS (9)
WWW.							NON NURSING HOME REVENUE
25,829 100.00% 393,67 90 78.63%	10,168,017	(4,269,488) 10,168,017	10,821 (25,457)	91,435 68,194 86,010 161,949	113,648 1,274,919	6,908,557 2,764,478 687,310 2,295,641	TOTAL (11)

The Health 102n Ter of Hermitage 90 Beds

EFFECT ON PATIENT CHARGE RATES (TOTAL FACILITY)

Patient Charge/Reimbursement type:	Present Charge per	Projected Charge per Patient Day	Projected Charge per Patient Day	Projected Charge per Patient Day	
	Patient	During	Day	Day	
	Day	Construction	Year 1	Year 2	
Private/Private pay	_		265.06	276.99	
Semi-private/Private pay			251.11	262.41	- 2
Semi Private - Companion			258.09	269.70	
·				(a)	
Medicare Reimbursement	470.91		496.26	506.18	Hendersonville's 4/30/13 YTD Mix
ICF Medicaid			72	<u> </u>	
Managed Care	419.25		448.62	457.59	Hendersonville's 4/30/13 YTD Rate
Hospice			(#)	8	

The Health Center of Hemitage ESTIMATED PPS PAYMENTS

PROJECTEI PPS RATE 470.91 461.49 470.72 480.13 489.73 499.52 509.51		PERIOD 10/1/12 - 9/30/13 Sequestration 10/1/13 - 9/30/14 10/1/14 - 9/30/15 10/1/15- 9/30/16 10/1/16 - 9/30/17 10/1/17 - 9/30/18	2.00% 2% Increase 2% Increase 2% Increase 2% Increase 2% Increase
YEAR 1 = 6/16 - 5/	17		
10/1/15 - 9/30/16 10/1/16 - 9/30/17 YEAR 2 = 6/17 - 5/1	# OF MONTHS IN PERIOD 4 8 12	PPS RATE FOR PERIOD 489.73 499.52	YEAR 1 PROJECTED PPS RATE 163.24 333.01 496.26
1 LAIX 2 - 0/17 - 3/1	0		
10/1/16 - 9/30/17 10/1/17 - 9/30/18	# OF MONTHS IN PERIOD 4 8 12	PPS RATE FOR PERIOD 499.52 509.51	YEAR 2 PROJECTED PPS RATE 166.51 339.67 506.18

The Health death of Hermitage ESTIMATED PPS PAYMENTS - 10/1/12 - 9/30/13

			% of Medicare	
	_		Residents	Estimated
RUGS	Therapy Minutes	Rate	in RUGS Category	Medicare Reimbursement
Category	Milliates	TAILE	Category	1 CHIDGISCHICH
RUX	720	702.46	0.00%	- 4
RUL	720	687.15	0.00%	
RVX	500	625.24	0.55%	3.42
RVL RHX	500 325	560.95 566.48	0.98% 0.16%	5.48 0.89
RHL	325	505.46	0.00%	0.09
RMX	150	519.63	0.00%	-
RML	150	476.78	0.00%	-
RLX	45	456.36	0.00%	
RUC	720	532.54	16.43%	87.47
RUB	720 720	532.54 445.29	27.57% 7.24%	146.83 32.22
RUA RVC	500	456.86	20.57%	93.98
RVB	500	395.62	14.27%	56.47
RVA	500	394.10	2.03%	8.01
RHC	325	398.09	3.56%	14.17
RHB	325	358.30	0.90%	3.22
RHA RMC	325 150	315.44 349.72	0.00% 0.90%	3,15
RMB	150	328.29	0.43%	1.41
RMA	150	270.13	0.23%	0.63
RLB	45	340.02	0.08%	0.27
RLA	45	219.09	0.00%	4
ES3		641.32	0.00%	-
ES2		502.02	0.00%	
ES1 HE2		448.45 433.14	0.00% 0.00%	* 2
HE1		359.66	0.35%	1.27
HD2		405.58	0.00%	*
HD1		338.23	0.23%	0.79
HC2		382.63	0.16%	0.60
HC1		319.86	1.96%	6.25
HB2 HB1		378.03 316.80	0.23% 0.00%	0.89
LE2		393.34	0.00%	-
LE1		329.04	0.08%	0.26
ID2		378.03	0.00%	3
ID1		316.80	0.39%	1.24
IC2 IC1		332.10 280.06	0.00% 0.43%	1.20
IB2		315.27	0.00%	1.20
IB1		267.81	0.00%	£ 1
CE2	-	350.47	0.00%	*
CE1		322.92	0.12%	0.38
CD2 CD1		332.10	0.00% 0.00%	B
CC2		304.55 290.78	0.00%	
CC1		269.35	0.08%	0.21
CB2		269.35	0.00%	2
CB1		249.44	0.00%	•
CA2		228.01	0.00%	-
CA1 BB2		212.71 241.79	0.00% 0.00%	
BB1		231.07	0.00%	-
BA2		200.46	0.00%	
BA1		191.28	0.00%	-
PE2		322.92	0.00%	-
PE1 PD2		307.61 304.55	0.00% 0.00%	-
PD2 PD1		289.24	0.00%	5
PC2		261.69	0.00%	2
PC1		249.44	0.08%	0.20
PB2		221.89	0.00%	(2)
PB1		212.71	0.00%	475
PA2		183.62	0.00%	-
PA1 DEFAULT	DATE	175.97 175.97	0.00%	5.5
Projected N	Nedicare Reir	mbursement 3	0.00% 100.00%	470.91
		103		., 5.51

The Health CanOr of Hermitage 90 Beds Expense Projection Year 1

				Amount	Α	mount
				In \$'s	P	er Day
INHALATION THERAPY		,	\$	26,325.97	\$	3.01
INHALATION THERAPY			\$	5,517.00	\$	0.63
TOTAL INHALATION THERAPY			*	31,842.97		3.64
TOTAL INTIALATION THERAIT				31,042.57		5,04
MEDICAL SUPPLIES			\$	37,698.40		4.31
MEDICAL SUPPLIES			Ψ	9,487.50		1.08
			_	47,185.90		5.39
MEDICAL SUPPLIES				47,105.90		5.39
PHARMACY			\$	281,649.17		32.19
PHARMACY			*	22,291.20		2.55
TOTAL PHARMACY			-	303,940.37		34.74
TOTAL PRAKWACT				303,840.37		34.14
IV THERAPY			\$	44,667.04		5.11
IV THERAPY			*	666.90		0.08
			-	45,333.94		5.18
TOTAL IV THERAPY				45,555.94		5.16
LABORATORY			\$	18,921.79		2,16
E/ COTO (TOTO)			Ψ	10,0210		2.10
RADIOLOGY/Medical Services			\$	20,131.62		2.30
		111.53%				
PHYSICAL THERAPY	FTE	Rate				
Purchased Service - RPT	1.00	68.55		142,580.53		16.30
Purchased Service - LPTA		56.58		· **		*
Purchased Service - Aides				(*)		*
ETO & SICK DAYS				020		2
PAYROLL TAXES				0.00		-
OTHER FRINGE						-
OTHER				2 670 24		
				3,678.31		0.42
TOTAL PHYSICAL THERAPY				146,258.85		16.72
OCCUPATIONAL THERAPY						
Purchased Service - OTR	4.00	CO EE		140 500 50		10.20
	1.00	68.55		142,580.53		16.30
Purchased Service - COTA	1.00	56.58		117,693.33		13.45
Purchased Service - Aides						*
ETO & SICK DAYS				-		*
PAYROLL TAXES				199		*
OTHER FRINGE				52		8
OTHER		_		2,323.15		0.27
TOTAL OCCUPATIONAL THERAPY				262,597.01		30.01
SPEECH THERAPY						
Purch Serv - SLP-CCC	1.00	68.55		142,580.53		16.30
Purch Serv - STA				72		2
Purchased Service - Aides				(6)		€:
ETO & SICK DAYS				7/41		2
PAYROLL TAXES				469		#
OTHER FRINGE				72		22
OTHER				193.60		0.02
TOTAL SPEECH THERAPY				142,774.13	=	16.32
TOTAL ANCILLARY EXPENSES				1,018,986.58		116.47
NURSING SERVICE			_			
ICF RN			\$	(*)		
ICF LPN				843		45
ICF AIDES				(*		#
SNF RN				404,339.16		46.22
SNF LPN				210,481.32		24.06
SNF AIDES				318,052.20		36.35
REHAB AIDES				873		
PAYROLL TAXES				84,445.78		9,65
OTHER FRINGE				36,679.85		4.19
NURSING ADMIN SUPPLIES				11,518.93		1.32
PROFESSIONAL LIABILITY IN	ISLIBANCE			355,500.00		
	SORANCE			•		40.63
EDUCATION				3,968.71		0.45
SMALL EQUIPMENT/REPAIRS				17,036.40		1.95
OTHER	104	1.0		24,005.83	-	2.74
TOTAL NURSING SERVICE				1,466,028.18		167.56
				, ,		

The Health Canler of Hermitage 90 Beds Expense Projection Year 1

		_	Amount In \$'s	Amount Per Day
ROUTINE CENTRAL SUPPLIES			28,748.92	3.29
NON LEGEND DRUGS		111 520/	10,357.36	1.18
SOCIAL SERVICE SALARIES - Director SALARIES - Assistant PAYROLL TAXES OTHER FRINGE MANAGEMENT FEE OTHER	FTE 1.00 1.00	111.53% Rate 25.25 16.77	52,520.00 34,881.60 7,496.79 914.24 9,582.97	6.00 3.99 0.86 0.10
TOTAL SOCIAL SERVICE			105,395.61	12.05
ACTIVITIES SALARIES - Director SALARIES - Assistant PAYROLL TAXES OTHER FRINGE MANAGEMENT FEE	FTE 1.00	RATE 19.54 13.53	\$40,643.72 - 3,601.34 1,543.43	\$4.65 - 0.41 0.18
OTHER		-	6,388.65	0.73
TOTAL ACTIVITIES			52,177.14	5.96
SALARIES - Reg Dietitian SALARIES - Supervisor SALARIES - Cooks SALARIES - Aides ETO & SICK DAYS - 8% PAYROLL TAXES OTHER FRINGE FOOD MANAGEMENT FEE SUPPLIES OTHER	FTE 1.00 2.10 1.40	Rate 22.98 26.22 13.83 10.62	47,788.84 56,633.26 28,986.49 10,672.69 11,445.57 4,799.76 73,566.27 9,292.58 12,293.31	\$5.46 - 6.47 3.31 1.22 1.31 0.55 8.41 - 1.06 1.41
TOTAL DIETARY			255,478.76	29.20
PLANT OPERATIONS SALARIES - Supervisor SALARIES - Assistant PAYROLL TAXES OTHER FRINGE UTILITIES REPAIRS & MAINTENANCE GROUND MAINTENANCE MANAGEMENT FEE OTHER	1.00	25.82 15.56	\$53,704.45 4,431.92 2,085.61 471,023.00 5,711.07 20,000.00 483.99	\$6.14 - 0.51 0.24 53.84 0.65 2.29
TOTAL PLANT OPERATIONS			557,440.04	63.71
HOUSEKEEPING SALARIES - Supervisor SALARIES - Staff ETO & SICK - 8% PAYROLL TAXES OTHER FRINGE SUPPLIES MANAGEMENT FEE OTHER TOTAL HOUSEKEEPING	0.50 3.65	16.19 10.64	16,842.09 75,730.67 7,405.82 9,137.05 3,606.73 9,679.77 4,452.70	\$1.93 8.66 0.85 1.04 0.41 1.11
			120,004.00	17.50

The Health **123 12**r of Hermitage 90 Beds Expense Projection Year 1

			Amount In \$'s	Amount Per Day
LAUNDRY AND LINEN				
	0.50	16.19	10 0 40 00	1.02
SALARIES - Supervisor SALARIES - Staff	0.30	10.19	16,842.09 13.975.63	1.93
	0.70	10.24		1.60
ETO & SICK - 8%			2,465.42	0.28
PAYROLL TAXES			2,935.02	0.34
OTHER FRINGE			1,257.87	0.14
SUPPLIES & LINEN MANAGEMENT FEE OTHER			5,517.47	0.63
		9	2,613.54	0.30
TOTAL LAUNDRY & LINEN			45,607.03	5.21
MEDICAL SERVICES			60,000.00	6.86
MEDICAL RECORDS				
SALARIES - Director	1.00	18.15	37,743.91	4.31
SALARIES - Staff		12.60		
PAYROLL TAXES			3,102.24	0.35
OTHER FRINGE			258.52	0.03
SUPPLIES			1,161.57	0.13
MANAGEMENT FEE				10 €
OTHER		-	7,163.03	0.82
TOTAL MEDICAL RECORDS			49,429.27	5.65
ADMINISTRATIVE AND GENERAL				
SALARIES - Administrator	1.00	36.06	115,000.00	13.14
SALARIES - Bookkeeper	1.00	31.83	66,208.43	7.57
SALARIES - Bookkeeper		18.44	2	-
SALARIES - Secretary				S#35
SALARIES - Receptionist	0.40	12.29	10,225.88	1.17
PAYROLL TAXES			28,424.06	3.25
OTHER FRINGE			21,574.89	2.47
HEALTH INSURANCE			86,440.36	9.88
MANAGEMENT FEES			99,937.00	11.42
FEES MEMBERSHIP & DUES			871.18	0.10
TELEPHONE			15,000.00	1.71
EDUCATION			12,000.00	1.37
SUPPLIES			3,291.12	0.38
REPAIRS & MAINT - SMALL EC	UIPMENT		4,355.90	0.50
STATE TAX FEE			202,500.00	23.15
OTHER			23,715.44	2.71
TOTAL ADMINISTRATIVE EXPENSES		_	689,544.26	78.81
TOTAL OPERATING EXPENSES			4,466,047.97	510.46
NET OPERATING INCOME			(1,134,804.45)	(129.71)
FIXED EXPENSES				
NHR LEASE PAYMENT	NI.		-	
INTEREST - WORKING CAPITA DEPRECIATION	1 L		649 400 00	70.05
			618,133.00	70.65
PROPERTY INSURANCE			15,902.00	1.82
PROPERTY TAXES		===	330,702.00	37.80
TOTAL FIXED EXPENSES		=	964,737.00	110.27
TOTAL NURSING HOME COSTS		=	\$5,430,784.97	\$620.73

	MO. PAY CATEGORY	*			MO. PAY CATEGORY E 20,783.70 C 17,228.40 23,883.00			1,065,30 1,065,30 4,940,10	\$ 76,568,40	,	124.78 2.22 2.22 127.00 5.30 7.08 134.08 23.97 5.59 \$ 77,738.39
May-17	AV. DAYS IN MONTH 30 = =		300		AV. DAYS IN MONTH 30 = 30 = 30			88888		30 =	, REHAB) HOURS S (S. PPD OURS S S S S S S S S S S S S S S S S S S
PERIOD:	DAILY TOTAL				DAILY TOTAL 254.42 * 691.79 574.28 *			35.51		•	(A) TOTAL HRS.(ICF, SNF, REHAB) (B) TOTAL ORIENTATION HOURS (C) TOTAL DIRECT HOURS PPD (D) TOTAL "DIRECT HOURS PPD (E) TOTAL ETO / SICK HOURS (F) TOTAL HRS. (C+E) (G) TOTAL HRS. (C+E) (G) TOTAL HRS. PPD.: TOTAL NURSING SALARIES
	AV. PAY RATE	" " "	u u		AV. PAY RATE \$44.56 = \$22.57 = \$12.64 =			\$12.64 = \$12.64 = \$26.69 = \$37.74 = \$37.74		u	(A) TOTAL (B) TOTAL (C) TOTAL (D) TOTAL (F) TOTAL (G) TOTAL (H) TOTAL
	TOTAL	3 12			TOTAL HOURS 5.71 25.92 25.44 63.00			2.81		٠	MO PAY TOTAL 368.53 311.71 490.75
EKN	ETO/SICK		92 W		ETO/SICK HOURS 1.92 1.44 3.00			0.13	7.08		30.00 30.00 30.00 30.00
AFFING PAI	ETO & SICK % 1.000% * 6.000% *	5.00%	8.00%		ETO & SICK % 10.00% * 8.00% * 5.00% * 5.00% *			5.00% * 8.00% * 8.00% 8.00% 8.00%		5.00% *	DAILY TOTAL 12.28 × 10.39 × 16.36 ×
SERVICE SI	AVERAGE HRS. BY CATEGORY			AVERAGE	CATEGORY CATEGORY 5.71 24.00 24.00 60.00			2.68			AVG PAY RATE \$26.69 \$22.57
DAILY NUKSING SEKVICE STAFFING PALLEKN	AVERAGE HOURS PER DAY		ioj/\ig#	AVERAGE	ER DAY 5.71 8.00 8.00 22.50	8.00 8.00 22.50	8.00	2.68 2.68	124.78	,	ANNUAL DAILY ANNUAL DAILY OREINTATIONOREINTATION HOURS HOURS 168.00 0.46 172.50 1.29
¥7	DAYS PER WEEK 7 7	5 7 7 7 7 8	(A) (A)	26.63%	DAYS PER WEEK 7	7 7	7	0 0 1 0 0		9	ORIENTATION ANNUAL OREINTATION L20 168.00 L20 168.00 L20 472.50
8	HOURS) c	32,850 8,749	HOURS 8.00 8.00 8.00 22.50	8.00 8.00 22.50	8.00 8.00 15.00	3.75			ORIE NEW (EMPLOYEES 4.20 12.60 21.00
in the second	NUMBER			90.00	NUMBER 1.00 1.00 1.00 3.00	1.00	1.00	0.50			% OF TURNOVER 100.00% 100.00% 100.00%
nter of Hermitage	σ J	PPLY CLERK CRETARY	TOTAL HRS. ICF: HRS. PPD. ICF:	S				NURSING SUPPLY CLERK NURSING SECRETARY ALZHEIMER COORD MDS Coordinator ADON	TOTAL HRS. SNF: HRS. PPD. SNF:	S	(FTE's) NUMBER OF EMPLOYEES 4.20 4.20 12.60
CENTER The Health CINTERMEDIATE CARE	SHIFT CATEGORY FIRST DON LPN CNA CNA CNA	ENN CNA RN LIPN CNA CNA NURSING SUPPLY CLERK NURSING SECRETARY	ADON	SKILLED CARE BUDG. OCCUPIED BEDS NSG. STATION	CATEGORY DON RN LPN CNA	LPN CNA	LPN CNA	NURSING SUPPLY NURSING SECRETA ALZHEIMER COORD MDS Coordinator ADON		REHAB AIDES	CATEGORY RN LPN CNA REHAB AIDES
CENTER	BUDG, OCCUPI NSG, STATION SHIFT CA FIRST DOD PN	SECOND		SKILLED CARE BUDG, OCCUPI NSG, STATION	拉克	SECOND	THIRD				

The Health Center of Hermitage

RUGS Category	Therapy Minutes	% of Medicare Residents in RUGS Category	Estimated Year 1 Medicare Part A Days	Estimated Patient Days in RUG Category	Therapy Minutes Required Per Patient Day	Estimated Minutes of Therapy Required
RUX	720		2,558	-	103	
RUL	720		2,558		103	-
RVX	500	0.55%	2,558	14	71	994
RVL	500	0.98%	2,558	25	71	1,775
RHX	325	0.16%	2,558	4	46	184
RHL	325		2,558	<u>~</u>	46	-
RMX	150		2,558	¥	21	16
RML	150		2,558		21	e.
RLX	45		2,558	-	6	5 1
RUC	720	16.43%	2,558	420	103	43,260
RUB	720	27.57%	2,558	705	103	72,615
RUA	720	7.24%	2,558	185	103	19,055
RVC	500	20.57%	2,558	526	71	37,346
RVB	500	14.27%	2,558	365	71	25,915
RVA	500	2.03%	2,558	52	71	3,692
RHC	325	3.56%	2,558	91	46	4,186
RHB	325	0.90%	2,558	23	46	1,058
RHA	325		2,558	_	46	C#4
RMC	150	0.90%	2,558	23	21	483
RMB	150	0.43%	2,558	11	21	231
RMA	150	0.23%	2,558	6	21	126
RLB	45	0.08%	2,558	2	6	12
RLA	45		2,558		6	:=:
		ESIDENTS RECE		2,452	_	
ESTIMATE	D TUEDA DV	MINUTES DEOL	IRED FOR PART	A DECIDENTS		040.000
			D FOR PART A R			210,932 1.69
						1.00
TOTAL ME	DICARE RES	SIDENTS	7.01			
TOTAL MAI	NAGED CAR	E RESIDENTS	4.98			
ADDITIONA	AL THERAPY	STAFF FOR MAI	NAGED CARE RES	SIDENTS		1.20
COTIMATE		ID DDN/ATE THE				
		ND PRIVATE THE			54,458	
				RT B TREATMENT	18.75	
			MINUTES PER TR		2,904	
			PART B TREATME		43,560	
ESTIMATE	JIHERAPY	STAFF REQUIRE	D FOR PART B T	REATMENTS	_	0.35
ESTIMATE	O TOTAL TH	ERAPY STAFF RE	EQUIRED FOR PA	RT A, PART B AND	MANAGED CARE	3.24
	UCTIVE FAC					0.65
TOTAL THE	ERAPYSTAI	FF REQUIRED				3.89
				TO THE STATE OF TH		

	PROPOSED THERA	PY STAFF		
		PATIENT	BUDGETD	BUDGETED
POSITION	HOURS PPD	DAYS	HOURS	STAFF
OTR	0.2377	24	2,080	1.00
COTA	0.2377	24	2,080	1.00
OT AIDES		24	-	
Purch Service		24		
RPT	0.2377	24	2,080	1.00
LPTA	(≢)	24	<u>=</u>	
PT AIDES	(±)	24	¥	
Purch Service		24		
SLP - CCC	0.2377	24	2,080	1,00
STA	3.00	24	*	=
ST AIDE	-	24	=	-
Purch Service		24		
TOTAL THERA	PY STAFF PER BUD			4.00
 	1/10			

The Health Land of Hermitage 90 Beds Expense Projection Year 2

				Amount		mount
INHALATION THERAPY			\$	In \$'s 80,057.79	P	er Day 3,10
INHALATION THERAPY			Ψ	17,002.50	Ψ	0.66
TOTAL INHALATION THERAPY			\$	97,060.29	\$	3.76
MEDICAL SUPPLIES			\$	114,641.58		4.44
MEDICAL SUPPLIES				29,273.25		1.13
TOTAL MEDICAL SUPPLIES			\$	143,914.83		5.57
PHARMACY			\$	856,500.65		33.16
PHARMACY				68,761.80	-	2.66
TOTAL PHARMACY				925,262.45		35.82
IV THERAPY - Medicare/Managed Care			\$	135,833,35		5.26
IV THERAPY - Private/Medicaid			,	2,058.30		0.08
TOTAL IV THERAPY			-	137,891.65		5.34
LABORATORY				57,541.54		2.23
RADIOLOGY				61,220.67		2.37
PHYSICAL THERAPY Purchased Service - RPT	FTE 2.50	Rate 70.27		365,378.00		14.15
Purchased Service - RPT Purchased Service - LPTA	3.00	70.27 58,00		361,920.00		14.15
Purchased Service - Aides	3.00	30,00		301,320.00		
ETO & SICK DAYS				-		12
PAYROLL TAXES				8		1.7%
OTHER FRINGE				¥		146
OTHER				11,184.98		0.43
TOTAL PHYSICAL THERAPY				738,482.98		28.59
OCCUPATIONAL THERAPY						
Purchased Service - OTR	2.00	70.27		292,302.40		11.32
Purchased Service - COTA	3.00	58.00		361,920.00		14.01
Purchased Service - Aides	*:	5		×		8.50
ETO & SICK DAYS						(/#S
PAYROLL TAXES OTHER FRINGE				8		(#)
OTHER				7,064.20		0.27
TOTAL OCCUPATIONAL THERAPY		3 (4)		661,286.60		25.60
SPEECH THERAPY						
Purch Serv - SLP-CCC	1.00	70.27		146,151.20		5.66
Purch Serv - STA	21	2		#		25
Purchased Service - Aides	-	7		50		1575
ETO & SICK DAYS				#		3.00
PAYROLL TAXES OTHER FRINGE				발		
OTHER				588.68		0.02
TOTAL SPEECH THERAPY		33		146,739.88	-	5.68
TOTAL ANCILLARY EXPENSES				2,969,400.89		114.96
NURSING SERVICE						
ICF RN						
ICF LPN						0.00
ICF AIDES				*		948
SNF RN				827,014.32		32.02
SNF LPN SNF AIDES				288,589.92 886,889.64		11.17 _ 34.34
REHAB AIDES				000,005.04		34.34
PAYROLL TAXES				181,270.35		7.02
OTHER FRINGE				78,736.56		3.05
NURSING ADMIN SUPPLIES				35,026.64		1.36
PROFESSIONAL LIABILITY IN	SURANCE			366,165.00		14.18
EDUCATION				12,068.00		0.47
SMALL EQUIPMENT/REPAIRS				51,804.11		2.01
OTHER		1.7		72,996.70	-	2.83
TOTAL NURSING SERVICE	100			2,800,561.23		108.43

The Health Center of Hermitage 90 Beds Expense Projection Year 2

			Amount In \$'s	Amount Per Day
ROUTINE CENTRAL SUPPLIES			87,419.43	3,38
NON LEGEND DRUGS		114.32%	31,494.54	1.22
SOCIAL SERVICE SALARIES - Director SALARIES - Assistant PAYROLL TAXES OTHER FRINGE MANAGEMENT FEE OTHER TOTAL SOCIAL SERVICE	FTE 1,00 2,00	Rate 25.88 17.19	\$53,833.00 71,507.28 10,750.94 1,311.09 29,139.81	\$2.08 2.77 0.42 0.05
*			166,542.13	6.45
ACTIVITIES SALARIES - Director SALARIES - Assistant PAYROLL TAXES OTHER FRINGE MANAGEMENT FEE OTHER	FTE 1.00 1.00	RATE 20.03 13.87	\$41,659.81 28,843.23 6,247.11 2,677.33	\$1.61 1.12 0.24 0.10 - 0.75
TOTAL ACTIVITIES			98,854.02	3.83
SALARIES - Reg Dietitian SALARIES - Supervisor SALARIES - Cooks SALARIES - Aides ETO & SICK DAYS - 8% PAYROLL TAXES OTHER FRINGE FOOD MANAGEMENT FEE SUPPLIES OTHER	FTE 1.00 1.00 2.80 3.50	Rate 23.55 26.88 14.18 10.88	48,983,56 55,903,09 77,398,79 74,277.87 20,525,06 22,011,43 9,230,60 223,699,55 28,256,79 37,381,37	\$1.90 2.16 3.00 2.88 0.79 0.85 0.36 8.66
PLANT OPERATIONS SALARIES - Supervisor SALARIES - Assistant PAYROLL TAXES OTHER FRINGE UTILITIES REPAIRS & MAINTENANCE GROUND MAINTENANCE MANAGEMENT FEE OTHER	1.00 1.00	26.46 15.95	\$55,047.06 33,170.91 7,280.12 3,425.94 485,153.69 15,894.44 20,600.00	\$2.13 1.28 0.28 0.13 18.78 0.62 0.80
TOTAL PLANT OPERATIONS			622,043.88	24.08
HOUSEKEEPING SALARIES - Supervisor SALARIES - Staff ETO & SICK - 8% PAYROLL TAXES OTHER FRINGE SUPPLIES MANAGEMENT FEE OTHER TOTAL HOUSEKEEPING	0.50 8.00	16.60 10.91	17,263.14 170,134.66 14,991.82 18,496.41 7,301.21 29,434.15 13,539.71	\$0.67 6.59 0.58 0.72 0.28 1.14
			,	10.00

The Health **Leator** of Hermitage 90 Beds Expense Projection Year 2

		:=	Amount In \$'s	Amount Per Day
LAUNDRY AND LINEN				
SALARIES - Supervisor	0.50	16.60	16,184.19	0.63
SALARIES - Staff	2.80	10.49	57,300.07	2.22
ETO & SICK - 8%	2.00	10.45	5,878.74	0.23
			6,998.50	0.27
PAYROLL TAXES			2,999.36	0.12
OTHER FRINGE			16,777.47	0.65
SUPPLIES & LINEN MANAGEMENT FEE				i t .
OTHER		3	7,947.22	0.31
TOTAL LAUNDRY & LINEN			114,085.55	4.42
MEDICAL SERVICES			61,800.00	2.39
MEDICAL RECORDS			•	
SALARIES - Director	1.00	18,60	38,687.50	\$1.50
SALARIES - Staff	1.00	12.92	26,869.63	1.04
PAYROLL TAXES			5,388.26	0.21
OTHER FRINGE			449.02	0.02
SUPPLIES			3,532.10	0.14
MANAGEMENT FEE				855
OTHER		-	21,781.27	0.84
TOTAL MEDICAL RECORDS			96,707.78	3.74
ADMINISTRATIVE AND GENERAL				
SALARIES - Administrator	1.00		125,000.00	\$4.84
SALARIES - Bookkeeper	1.00	32,63	67,863,64	2.63
SALARIES - Bookkeeper	0.50	18.90	19,652.87	0.76
SALARIES - Secretary			ĕ	•
SALARIES - Receptionist	1.40	12.60	36,685.36	1.42
PAYROLL TAXES			37,001.35	1.43
OTHER FRINGE			28,085.36	1.09
HEALTH INSURANCE		5	262;846.97	10.18
MANAGEMENT FEES			304,569.00	11.79
FEES MEMBERSHIP & DUES			2,649.07	0.10
TELEPHONE			15,450.00	0.60
EDUCATION			12,360.00	0.48
TRAVEL			10,007.61	0.39
REPAIRS & MAINT - SMALL EQ	HIDMENIT		13,245.37	0.51
	CIFIVILIVI		202,500.00	7.84
STATE TAX FEE			72,113.67	2.79
OTHER		59		
TOTAL ADMINISTRATIVE EXPENSES		3	1,210,030.28	46.85
TOTAL OPERATING EXPENSES			9,127,768.94	353.39
NET OPERATING INCOME			1,040,248.06	40.27
FIXED EXPENSES				
NHR LEASE PAYMENT			喬	
INTEREST - WORKING CAPITA	\L		4	92
DEPRECIATION			618,133.00	23.93
PROPERTY INSURANCE			16,379.06	0.63
PROPERTY TAXES		63	340,623.06	13.19
TOTAL FIXED EXPENSES			975,135.12	37.75
TOTAL NURSING HOME COSTS			\$10,102,904.06	\$391.15

		MO. PAY CATEGORY		11 11 11 11 11	69		MO. PAY CATEGORY = \$ 7,823.40 = 42,545.10 = 23,545.50 = 70,382.10			= 1,092.00 = 1,092.00 = 10,127.40 = 7,160.70	\$163,768.20		286,71 4,99 285,70 4,04 16,02 301,72 70,76 4,26 \$166,874,49
May-18		AV. DAYS IN MONTH 30 30 30		8888			AV. DAYS IN MONTH 30 30 30 30			88888		30	TOTAL HRS.(ICF, SNF, REHAB) TOTAL ORIENTATION HOURS TOTAL "DIRECT" HOURS PPD TOTAL "DIRECT" HOURS PPD TOTAL ETO / SICK HOURS TOTAL HRS. (C+E) TOTAL HRS. (C+E) TOTAL HRS. PPD.: TOTAL HRS. PPD.:
PERIOD:		DAILY TOTAL					DAILY TOTAL 260.78 * 1,418.17 * 784.85 * 2,346.07 *			36.40 * 36.40 * 337.58 * 238.69 *		*	(A) TOTAL HRS.(ICF, SNF, REHAB) (B) TOTAL ORIENTATION HOURS (C) TOTAL DIRECT. HOURS PPD (D) TOTAL "DIRECT" HOURS PPD (E) TOTAL ETO / SICK HOURS (F) TOTAL HRS. (C+E) (G) TOTAL PATIENT DAYS (H) TOTAL HRS. PPD.: TOTAL NURSING SALAR
		AV. PAY RATE		1 1 1			AV. PAY RATE \$45.67 = \$27.36 = \$23.14 = \$12.95 =			\$12.95 = \$12.95 = \$27.36 = \$38.69 =		н	(A) TOTAL HRS.(ICF. 8 (B) TOTAL ORIENTATI (C) TOTAL DIRECT HO (D) TOTAL "DIRECT HO (E) TOTAL ETO / SICK (F) TOTAL HRS. (C+E) (G) TOTAL PATIENT D (H) TOTAL HRS. PPD.:
2		TOTAL		* 0 * *			TOTAL HOURS 5.71 51.84 33.92 181.13			2.81 2.81 12.34 6.17			MO PAY TOTAL 1,261.26 503.66 1,341.37
		ETO/SICK HOURS		360 (26 - 60) (36			ETO/SICK HOURS . 3.84 1.92 8.63			0.13 0.013 0.94	16.02		30.00
		ETO & SICK % * 0.00% * 8.00% * 6.00% * 5.00% *		5.00% 5.00% 0.00% 8.00%	MB		ETO & SICK % 0.00% * 8.00% * 6.00% * 5.00% *			5.00% 5.00% 8.00% 8.00% 8.00%		5.00% *	DAILY TOTAL 42.04 × 16.79 × 44.71 ×
מבויאוכר סוג		AVERAGE HRS. BY CATEGORY					AVERAGE HRS. BY 5.71 5.71 48.00 73.00 172.50			2.68 2.68 11.43			AVG PAY RATE \$45.67 \$27.36
		AVERAGE HOURS PER DAY			- 10//\lG#		AVERAGE HOURS PER DAY 5.71 24.00 8.00 67.50	16.00 8.00 60.00	8.00 16.00 45.00	2.68	3.97	•	DAILY DREINTATION HOURS 0.92 0.61 3.45
Š		DAYS PER WEEK 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7		מ מ מ מ מ		78.63%	DAYS PER WEEK 5	7 7	7 7	0 4 4 0 0		7	ANNUAL DAILY ANNUAL DAILY OREINTATION HOURS HOURS HOURS 336.00 0.92 224.00 0.61 1,260.00 3.45
2		HOURS				32,850 25,829	HOURS 8.00 24.00 8.00 67.50	16.00 8.00 60.00	8.00 16.00 45.00	3.75			ORIENTA A NEW ORE 8.40 5.60 33.60 7.
H		NUMBER				90.00	NUMBER 1.00 3.00 1.00 9.00	2.00	1.00	0.50 2.00 1.00			% OF TURNOVER 100.00% 100.00% 100.00%
er of Hermitage				.Y CLERK ETARY ECTOR	TOTAL HRS. ICF: HRS. PPD. ICF:					LY CLERK ETARY RD	TOTAL HRS. SNF: HRS. PPD. SNF;		(FTE's) NUMBER OF EMPLOYEES 8.40 5.60 33,60
CENTER The Health Center of Hermitage	IN I ERMEDIATE CARE BUDG. OCCUPIED BEDS NSG. STATION	CATEGORY DON RN LPN CNA	L PN CNA CNA CNA CNA	NURSING SUPPLY CLERK NURSING SECRETARY ALZHEIMER DIRECTOR ADON		SKILLED CARE BUDG. OCCUPIED BEDS	CATEGORY DON RN LPN CNA	LPN CNA	RN LPN CNA	NURSING SUPPLY CLERK NURSING SECRETARY MDS Coord ALZHEIMER COORD ADON		REHAB AIDES	CATEGORY RN LPN CNA REHAB AIDES
CENTER	IN I ERMEDIATE BUDG. OCCUPI NSG. STATION	SHIFT	SECOND			SKILLED CARE BUDG, OCCUP	NSG. STATION SHIFT CA	SECOND	THIRD				v

DAILT NUKSING SEKVICE STAFFING PALIEKN

The Health Center of Hermitage

RUGS Category	Therapy Minutes	% of Medicare Residents in RUGS Category	Estimated Year 2 Medicare Part A Days	Estimated Patient Days in RUG Category	Therapy Minutes Required Per Patient Day	Estimated Minutes of Therapy Required
DUIV	700		7.550		400	
RUX	720		7,552	#8 	103	
RUL RVX	720 500	0.55%	7,552 7,552	41	103	0.044
RVL	500	0.98%	7,552 7,552	74	71 71	2,911
RHX	325	0.16%	7,552 7,552	12	46	5,254 552
RHL	325	0.10%	7,552 7,552	12	46	552
RMX	150		7,552 7,552	-	21	-
RML	150		7,552 7,552		21	~
RLX	45		7,552 7,552	50	6	5 2
RUC	720	16.43%	7,552 7,552	1,240	103	127,720
RUB	720	27.57%	7,552	2,082	103	214,446
RUA	720	7.24%	7,552 7,552	546	103	56,238
RVC	500	20.57%	7,552	1,554	71	110,334
RVB	500	14.27%	7,552	1,078	71	76,538
RVA	500	2.03%	7,552	154	71	10,934
RHC	325	3.56%	7,552	269	46	12,374
RHB	325	0.90%	7,552	68	46	3,128
RHA	325	0.0070	7,552	_	46	5,120
RMC	150	0.90%	7,552	68	21	1,428
RMB	150	0.43%	7,552	32	21	672
RMA	150	0.23%	7,552	18	21	378
RLB	45	0.08%	7,552	6	6	36
RLA	45	0.0070	7,552		6	-
		ESIDENTS RECE		7,242	-	
LOTIVIATE	DEANTAIN	LOIDLINTO RECE	IVING TILKAFI	1,242		
			IRED FOR PART A ED FOR PART A R			622,943 4.99
TOTAL MFI	DICARE RES	SIDENTS	20.69			
		RE RESIDENTS	14.69			
			NAGED CARE RE	SIDENTS		3.54
		ND PRIVATE THE			\$ 168,001	
ESTIMATE	"FEE SCR	EEN AMOUNT" PI	ER 15 MINUTE PA	RT B TREATMENT	Γ - 18.75	
			MINUTES PER TE		8,960	
			PART B TREATME		134,400	
ESTIMATE	THERAPY	STAFF REQUIRE	D FOR PART B T	REATMENTS	•	1.08
					D MANAGED CARE	9.61
		CTOR (20%)			1	1.92
TOTAL THE	RAPY STA	FF REQUIRED				11.53

		PROPOSED THERA	APY STAFF		
			PATIENT	BUDGETD	BUDGETED
	POSITION	HOURS PPD	DAYS	HOURS	STAFF
	OTR	0.1611	71	4,160	2.00
	COTA	0.2416	71	6,240	3.00
1	OT AIDES	: **	71	180	:#:
	Purch Service		71		
	RPT	0.2013	71	5,200	2.50
	LPTA	0.2416	71	6,240	3.00
	PT AIDES	-	71	**	
	Purch Service		71		
	SLP - CCC	0.0805	71	2,080	1.00
	STA	541	71	4	
	ST AIDE	· · · · · · · · · · · · · · · · · · ·	71	9	943
	Purch Service		71		
	TOTAL THERAI	PY STAFF PER BUD	GET		11.50

The Health **Qe4t⊕**r of Hermitage 90 Beds

2013 JUN 14 PM 2 05 PROJECTED DATA CHART

Supplemental innformation for projected year 3 operations

		May-19
A. Utilization Data (Specify unit of measure) (Patient Days)		31,208
(Specify unit of measure) (% Occupancy)		95.00%
B. Revenue from Services to Patients		
1. Inpatient Services		\$18,273,445
Outpatient Services Emergency Services	_	
Other Operating Revenue (Specify)	_	
Gross Operating Revenue	\$	18,273,445
C. Deductions for Operating Revenue		
Contractual Adjustments	\$	(5,554,133)
Provision for Charity Care Provisions for Bad Debt	_	(7,696)
3. Provisions for Bad Debt		(23,972)
Total Deductions	\$	(5,585,801)
NET OPERATING REVENUE	\$	12,687,644
 D. Operating Expenses Salaries and Wages Physician's Salaries and Wages Supplies Taxes Depreciation Rent Interest, other than Capital Management Fees Fees to Affiliates Fees to Non-Affiliates Other Expenses (Specify) - SEE ATTACHED SCHEDULE 	\$	3,676,324 63,654 288,448 350,842 618,133 380,629 6,493,668
Total Operating Expenses	\$	11,871,698
E. Other Revenue (Expenses)Net (Specify)		
NET OPERATING INCOME (LOSS)	\$	815,946
F. Capital Expenditure		
Retirement of Principal Interest	_	
Total Capital Expenditures	\$	····
NET OPERATING INCOME (LOSS) 114		
LESS CAPITAL EXPENDITURES	\$	815,946

PROJECTED DATA CHART SUPPLEMENTS The Health Center of Hermitage 2 PROJECTED DATA YEAR 3

Inhalation Therapy	Salaries	Other \$ 121,105	Total \$ 121,105
Occupational Therapy		952,830	952,830
Physical Therapy		834,303	834,303
Speech Pathology		150,538	150,538
Pharmacy		1,191,972	1,191,972
Lab and Radiology		147,806	147,806
IV Therapy		171,653	171,653
Nursing Service	2,419,698	905,251	3,324,949
Social Service	128,474	48,628	177,102
Activities	72,266	33,324	105,590
Dietary	298,038	420,217	718,255
Plant Operations	90,423	553,513	643,936
Housekeeping	222,601	101,932	324,533
Laundry and Linen	75,321	47,044	122,365
Medical Records	67,196	37,486	104,682
Adminstrative and General	302,307	776,066	1,078,373
Totals	\$3,676,324	\$6,493,668	\$ 10,169,992

PROJECTED REVENUES (TOTAL FACILITY)						PROJECTED OPERATING YEAR 3 ENDING	PERATING YEA	R 3 ENDING		May-18	(
FOR NURSING HOME PROJECTS										RESTRICTED	NURSING	
PAGE3	i					Managed		MEDICARE		GRANTS &	HOME	
	PVI -PVI	Semi-Private (2)	SP - Comp (3)	ICF Mcaid (3A)	MEDICARE (4)	Care (5)	Hospice (6)	PART B	MISC (8)	DONATIONS	REVENUE	TOTAL
										(2)	5	
1 ROUTINE SERVICES	3,670,893	400,639	411,768		2,463,750	1,749,330	•					A 696 380
2 PHYSICAL THERAPY	30,793	3,547	3,547		1.879,430	1,515,722		57 575	WWW.WWW	WWW.WWW.	111111111111111111111111111111111111111	3,400,646
3 SPEECH THERAPY	4,400	202	205		520,565	322,540		19.375	111111111111111111111111111111111111111			0.10,054,0
4 OCCPATIONAL THERAPY 5 AUDIOLOGICAL THERAPY	407	47	47		1,583,028	1,219,112		92,306				2,898,547
	47.0.04	0.70										
S MEDICAL SOFFLIES	40,071	4,616	4,616		65,026	29,228						143,557
THAKMACY	78,402	9,032	9,032		844,344	668,900			111111111111111111111111111111111111111		HIMMINIM	1.609,710.
	454	25	25		68,730	46,181			MINIMAN		111111111111111111111111111111111111111	115 470
9 RADIOLOGY/MEDICAL SERVICES					51,478	34,662				HILLIAN HILLIAN	WIND WIND	4 140 180
10 OTHER - INHALATION THERAPY	23,265	2,680	2,680		42,459	37,520			MINIMAN		111111111111111111111111111111111111111	2 408 604
10 OTHER ANCILLARY - IV THERAPY	2,350	271	271		147,428	54,405			MINIMAN	111111111111111111111111111111111111111		20,234
11 UNRESTRICTED GRANTS/DONATIONS	111111111111111111111111111111111111111	111111111111111111111111111111111111111		1111111111	THANKING THE TANK THE	HILLIHIHI	111111111111111111111111111111111111111	MINIMAN				F 7 1 'F C 7
12 OUTPATIENT CLINIC				1111111111		WWW.	WWW.WWW.	MINIMINI			WILLIAM WILLIAM	
13 OTHER NURSING HOME REVENUE	111111111111111111111111111111111111111	111111111111111111111111111111111111111		1111111111	111111111111111111111111111111111111111	WWW.	111111111111111111111111111111111111111		51.804		111111111111111111111111111111111111111	51 804
14 ALLOWANCE FOR BAD DEBTS	(9,628)	(1,053)	(1,081)		(11,778)	(7,696)		(432)	MIMMIMM		MANAGEMENT	(31,668)
					(2,954,968)	(2,599,165)	39					(5.554.133)
16 OTHER - INHALATION THERAPY	111111111111111111111111111111111111111	111111111111111111111111111111111111111					WWW.WWW.		HILLIAMINI	MINIMANIA	HIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIII	(00110010)
17 TOTAL NURSING HOME REVENUE	3,841,406	420,339	431,440		4,699,492	3,070,739	٠	172,424	51,804			12 687 644
18 TOTAL RESTRICTED GRANTS/DONATIONS	WINNEY WITH	HILLIHIHI		111111111		HIHIHIH	THE STATE OF THE S	HILLIAMINI	111111111111111111111111111111111111111		WINDER THE PERSON OF THE PERSO	
Ż	111111111111111111111111111111111111111	111111111111111111111111111111111111111		111111111	111111111111111111111111111111111111111	TAMMAM	HIHIMINI	HILLIHIHI	THAT THAT THE	WWWWWWWWWW		
	3,841,406	420,339	431,440		4,699,492	3,070,739		172,424	51,804			12,687,644
22 % OF NURSING HOME REVENUE	37.78%	4,13%	4.24%		46.22%	30.20%		1.70%	0.51%	WILLIAM WILLIAM		124 78%
23 PATIENT DAYS	12,682	1,461	1,461		9,125	6,479						31.208
24 % OF PATIENT DAYS	40.64%	4.68%	4.68%		29.24%	20.76%						100,00%
	302.90	287.71	295.30	#DIV/0i	515.01	473.95	#DIV/0i		1.66			406,55
26 TOTAL NUMBER NURSING HOME BEDS		-										06
28 AVERAGE OCCUPANCY NURSING HOME												200
29 AVERAGE OCCUPANCY OTHER												%00°C8

The HeatIh Canter of Hermitage 90 Beds Expense Projection Year 3

				Amount In \$'s		Amount Per Day
INHALATION THERAPY			\$	99,635.93	\$	3.19
INHALATION THERAPY TOTAL INHALATION THERAPY			-\$	21,468.75	\$	0.69
			*	121,101.00	*	0.00
MEDICAL SUPPLIES			\$	142,677.19		4.57
MEDICAL SUPPLIES			_	36,977.25	-	1.18
				179,654.44		5.76
PHARMACY			\$	1,065,957.97		34.16
PHARMACY				86,819.40		2.78
TOTAL PHARMACY				1,152,777.37		36.94
IV THERAPY - Medicare/Managed Care			\$	169,051.41		5.42
IV THERAPY - Private/Medicaid			Ψ.	2,601.90		0.08
TOTAL IV THERAPY				171,653.31	-	5.50
		i i		(11),000,01		0.00
LABORATORY				71,613.33		2.29
RADIOLOGY				76,192.18		2.44
DUNGLOAL THEDARY	roca.	Б.:				
PHYSICAL THERAPY Purchased Service - RPT	FTE 3.00	Rate 72.02		440 444 04		1.4.40
Purchased Service - RP1 Purchased Service - LPTA	3.00	72.02 59.45		449,414.94 370,968.00		14.40 11.89
Purchased Service - Aides	5.00	33,43		370,300.00		11.05
ETO & SICK DAYS		177				· ·
PAYROLL TAXES				-		
OTHER FRINGE						
OTHER				13,919.73		0.45
TOTAL PHYSICAL THERAPY				834,302.67		26.73
OCCUPATIONAL THERAPY						72
Purchased Service - OTR	3.00	72.02		449,414.94		14.40
Purchased Service - COTA	4.00	59.45		494,624.00		15.85
Purchased Service - Aides ETO & SICK DAYS						
PAYROLL TAXES				- 5		720
OTHER FRINGE				-		
OTHER				8,791.41		0.28
TOTAL OCCUPATIONAL THERAPY				952,830.35		30,53
SPEECH THERAPY						
Purch Serv - SLP-CCC	1.00	72.02		149,804.98		4.80
Purch Serv - STA	*	*		*		960
Purchased Service - Aides	₽.	22		€		(20)
ETO & SICK DAYS				5		3.53
PAYROLL TAXES				* =		3 3 00
OTHER FRINGE OTHER				732.62		0.02
TOTAL SPEECH THERAPY				150,537.60		4.82
TOTAL ANCILLARY EXPENSES				3,710,665.93		118.90
NURSING SERVICE						
ICF RN						
ICF LPN				*		=70
ICF AIDES				0.47.000.40		07.15
SNF RN SNF LPN				847,689.48 443,708.16		27.16
SNF AIDES				1,128,300.36		14.22 36.15
REHAB AIDES				-,120,000,00		30.13
PAYROLL TAXES				219,036.63		7.02
OTHER FRINGE				95,140.71		3.05
NURSING ADMIN SUPPLIES				43,590.72		1.40
PROFESSIONAL LIABILITY IN	ISURANCE			377,149.95		12.09
EDUCATION				15,018.65		0.48
SMALL EQUIPMENT/REPAIR: OTHER	5			64,470.31		2.07
		73		90,844.53		2.91
TOTAL NURSING SERVICE				3,324,949.50		106.54

The HeatIh **pata** of Hermitage 90 Beds Expense Projection Year 3

			Amount In \$'s	Amount Per Day
ROUTINE CENTRAL SUPPLIES			108,793.65	3.49
NON LEGEND DRUGS		114.32%	39,195,02	1.26
SOCIAL SERVICE SALARIES - Director SALARIES - Assistant PAYROLL TAXES OTHER FRINGE MANAGEMENT FEE OTHER	FTE 1.00 2.00	Rate 26.53 17.62	\$55,178.83 73,294.96 11,019.72 1,343.87 36,264.55	\$1.77 2.35 0.35 0.04 -
TOTAL SOCIAL SERVICE		=	177,101.92	5.67
ACTIVITIES SALARIES - Director SALARIES - Assistant PAYROLL TAXES OTHER FRINGE MANAGEMENT FEE OTHER	FTE 1.00 1.00	RATE 20.53 14.21	\$42,701.30 29,564.32 6,403.28 2,744.26	\$1.37 0.95 0.21 0.09
TOTAL ACTIVITIES			105,589.53	3.38
SALARIES - Reg Dietitian SALARIES - Supervisor SALARIES - Cooks SALARIES - Aides ETO & SICK DAYS - 8% PAYROLL TAXES OTHER FRINGE FOOD MANAGEMENT FEE SUPPLIES OTHER TOTAL DIETARY	FTE 1.00 1.00 3.50 4.20	Rate 24.14 27.55 14.53 11.16	50,208.15 57,300.66 99,167.20 91,361.78 23,843.02 25,569.66 10,722.76 278,394.52 35,165.62 46,521.19 718,254.58	\$1.61 1.84 3.18 2.93 0.76 0.82 0.34 8.92 - 1.13 1.49
PLANT OPERATIONS SALARIES - Supervisor SALARIES - Assistant PAYROLL TAXES OTHER FRINGE UTILITIES REPAIRS & MAINTENANCE GROUND MAINTENANCE MANAGEMENT FEE OTHER TOTAL PLANT OPERATIONS	1.00 1.00	27.13 16.35	\$56,423.24 34,000.18 7,462.13 3,511.59 499,708.30 19,780.66 21,218.00 1,831.54	\$1.81 1.09 0.24 0.11 16.01 0.63 0.68 - 0.06
HOUSEKEEPING			2 10,000.00	20.00
SALARIES - Supervisor SALARIES - Staff ETO & SICK - 8% PAYROLL TAXES OTHER FRINGE SUPPLIES MANAGEMENT FEE OTHER	0.50 9.40	17.01 11.18	17,694.72 204,905.93 17,808.05 21,970.97 8,672.75 36,630.86	\$0.57 6.57 0.57 0.70 0.28 1.17
TOTAL HOUSEKEEPING			324,533.48	10.40

The Heatlh to to feel of Hermitage 90 Beds Expense Projection Year 3

			Amount In \$'s	Amount Per Day
LAUNDRY AND LINEN SALARIES - Supervisor SALARIES - Staff ETO & SICK - 8% PAYROLL TAXES OTHER FRINGE SUPPLIES & LINEN	0.50 2.80	17.01 10.76	16,588.80 58,732.57 6,025.71 7,173.46 3,074.34 20,879.59	0.53 1.88 0.19 0.23 0.10 0.67
MANAGEMENT FEE OTHER			9,890.33	0.32
TOTAL LAUNDRY & LINEN			122,364.81	3.92
MEDICAL SERVICES			63,654.00	2.04
MEDICAL RECORDS SALARIES - Director SALARIES - Staff PAYROLL TAXES OTHER FRINGE SUPPLIES MANAGEMENT FEE OTHER TOTAL MEDICAL RECORDS	1.00 1.00	19.06 13.24	39,654.69 27,541.37 5,522.96 460.25 4,395.70 27,106.84 104,681.81	\$1.27 0.88 0.18 0.01 0.14
ADMINISTRATIVE AND GENERAL				
SALARIES - Administrator SALARIES - Bookkeeper SALARIES - Bookkeeper	1.00 1.00 0.50	33.44 19.37	175,000.00 69,560.23 20,144.19	\$5.61 2.23 0.65
SALARIES - Secretary SALARIES - Receptionist PAYROLL TAXES OTHER FRINGE HEALTH INSURANCE MANAGEMENT FEES FEES MEMBERSHIP & DUES TELEPHONE EDUCATION TRAVEL REPAIRS & MAINT - SMALL EQ STATE TAX FEE OTHER	1.40	12.91	37,602.49 44,886.36 34,070.37 327,113.56 380,629.00 3,296.78 15,913.50 12,730.80 12,454.49 16,483.89 202,500.00 89,745.60	1.20 1.44 1.09 10.48 12.20 0.11 0.51 0.41 0.40 0.53 6.49 2.88
TOTAL ADMINISTRATIVE EXPENSES			1,442,131.26	46.21
TOTAL OPERATING EXPENSES			10,885,851.13	348.82
NET OPERATING INCOME			1,801,792.87	57.73
FIXED EXPENSES NHR LEASE PAYMENT INTEREST - WORKING CAPITA DEPRECIATION PROPERTY INSURANCE PROPERTY TAXES TOTAL FIXED EXPENSES	ıL	1. 1.	618,133.00 16,870.43 350,841.75 985,845.18	19.81 0.54 11.24 31.59
TOTAL NURSING HOME COSTS		*	\$11,871,696.31	\$380.41

	1 W.	MO. PAY CATEGORY	e		ω		MO. PAY CATEGORY \$ 8,019.00 43,608.60 36,201.30 87,822.00			2,242.20 2,242.20 10,380.60	7,339.80	· ·	339.57 6.16 6.16 345,73 4.04 19.13 364.86 85.50	4.27 \$201,641.50
May-19		AV. DAYS IN MONTH 30 = 30 = 30		0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0			AV. DAYS IN MONTH 30 30 30 31 31			8 8 8 8	30	30 =	I ≸ m o	IG SALARIES
PERIOD:		DAILY TOTAL					DAILY TOTAL 267.30 * 1,453.62 * 1,206.71 *			74.74 * 74.74 * 346.02 *	244.66		(A) TOTAL HRS.(ICF, SNF, REHAB) (B) TOTAL ORIENTATION HOURS (C) TOTAL DIRECT HOURS (D) TOTAL "DIRECT" HOURS PPD (E) TOTAL ETO / SICK HOURS (F) TOTAL HRS. (C+E) (G) TOTAL PATIENT DAYS	HRS. PPD.: TOTAL NURSING SALARIES
		AV. PAY RATE		# # # # #			AV. PAY RATE \$46.81 = \$28.04 = \$23.72 = \$13.28 = \$			\$13.28 = \$13.28 = \$28.04 =	\$39.65	, ii	(A) TOTAL H (B) TOTAL C (C) TOTAL C (D) TOTAL C (E) TOTAL C (F) TOTAL H (G) TOTAL H (G) TOTAL P	(H) TOTAL HRS. PPD TOTAL NUF
		TOTAL		36 N 3 N			TOTAL HOURS 5.71 51.84 50.88 220.50			5.63 5.63 12.34	6.17		MO PAY TOTAL 1,292.79 774.38	3,785.80
LEKN		ETO/SICK HOURS		(F #1 (K □40)	1		ETO/SICK HOURS 3.84 2.88 10.50			0.27	19.13	4	30.00 30.00 30.00	30,00
AFFING MAI		ETO & SICK % 0.00% * 6.00% * 5.00% *		5.00% 5.00% 0.00% 8.00%			SICK % 0.00% * 8.00% * 5.00% * 5.00%			5.00% * * 8.00% * * 8.00% * *	* %00.8	• %00.9	DAILY TOTAL 43.09 × 25.81 × 57.29 ×	- 1
SEKVICE SI		AVERAGE HRS. BY CATEGORY					AVERAGE HRS. BY CATEGORY 5.71 48.00 48.00			5.36 5.36	5,71	i	AVG PAY RATE \$46.81 \$28.04	
DAILY NUKSING SERVICE STAFFING PATTERN		AVERAGE HOURS PER DAY			#DIVIO#		AVEKAGE HOURS PER DAY 5.71 24.00 16.00 82.50	16.00 16.00 67.50	8.00 16.00 60,00	5.36 5.36 11.43	5.71 339.57 3.97		DAILY DREINTATION HOURS 0.92 0.92 4.32	6.16
UAI		DAYS PER WEEK 5 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7			-	95.00%	DAYS PER WEEK 5	7	7 7 7	1202	တ	7	ANNUAL DAILY OREINTATIONOREINTATION HOURS HOURS 336.00 0.92 336.00 0.92 1,575.00 4.32	2247.00
		HOURS				32,850 31,208	HOURS 8.00 24.00 16.00 82.50	16.00 16.00 67.50	8.00 16.00 60.00	7.50 7.50 16.00	8.00		ORIENTAT NEW ORE EMPLOYEES H 8.40 8.40 42.00 1,	58.80
3		NUMBER				90.00	NUMBER 1.00 3.00 2.00 11.00	2.00	2.00	1.00	1.00		% OF TURNOVER 100.00% 100.00%	100.00%
The Health Center of Hermitage				PLY CLERK XETARY RECTOR	TOTAL HRS. ICF: HRS. PPD. ICF:					PLY CLERK RETARY ORD	TOTAL HRS. SNF: HRS. PPD. SNF:		(FTE's) NUMBER OF EMPLOYEES 8.40 8.40	58.80
CENTER The Health Cel	BUDG. OCCUPIED BEDS NSG. STATION	CATEGORY DON RN LPN CNA	LPN CNA CNA CNA	NURSING SUPPLY CLERK NURSING SECRETARY ALZHEIMER DIRECTOR ADON		SKILLED CARE BUDG. OCCUPIED BEDS NSG. STATION	CATEGORY DON RN LPN CNA	LPN CNA	LPN CNA	NURSING SUPPLY CLERK NURSING SECRETARY MDS Coord ALZHEIMER COORD	ADON	REHAB AIDES	CATEGORY RN LPN CNA	REHAB AIDES
CENTER	BUDG, OCCUPI NSG. STATION	SHIFT	SECOND THIRD			SKILLED CARE BUDG, OCCUPI	THE THE	SECOND	THIRD					

The Health Center of Hermitage

RUGS Category	Therapy Minutes	% of Medicare Residents in RUGS Category	Estimated Year 3 Medicare Part A Days	Estimated Patient Days in RUG Category	Therapy Minutes Required Per Patient Day	Estimated Minutes of Therapy Required
DUIV	700		0.105		103	
RUX	720 720		9,125 9,125		103	1040
RUL	720 500	0.55%	9,125	50	71	3,550
RVX	500	0.98%	9,125	89	71	6,319
RVL RHX	325	0.16%	9,125	14	46	644
RHL	325	0.1070	9,125		46	044
RMX	150		9,125		21	12
RML	150		9,125	_	21	-
RLX	45		9,125		6	42
RUC	720	16.43%	9,125	1,499	103	154,397
RUB	720	27.57%	9,125	2,516	103	259,148
RUA	720	7.24%	9,125	660	103	67,980
RVC	500	20.57%	9,125	1,877	71	133,267
RVB	500	14,27%	9,125	1,303	71	92,513
RVA	500	2.03%	9,125	186	71	13,206
RHC	325	3.56%	9,125	325	46	14,950
RHB	325	0.90%	9,125	82	46	3,772
RHA	325		9,125	7.5	46	12
RMC	150	0.90%	9,125	82	21	1,722
RMB	150	0.43%	9,125	39	21	819
RMA	150	0.23%	9,125	21	21	441
RLB	45	0.08%	9,125	7	6	42
RLA	45		9,125)第(6	000
ESTIMATE	D PART A R	ESIDENTS RECE	EIVING THERAPY	8,750	_	
			JIRED FOR PART			752,770 6.03
ESTIMATE	DIHERAPY	STAFF REQUIR	ED FOR PART A R	(ESIDEN 12		6,03
TOTAL ME	DICARE RE	CIDENTO	25.00			
		RE RESIDENTS	17.75			
			NAGED CARE RE	SIDENTS		4,28
ADDITION	AL INCKAP	1 STAFF FOR WA	MAGED CARE RE	GIDENTO		4.20
ESTIMATE	D PART R A	ND PRIVATE TH	ERAPY REVENUE		216,659	
			PER 15 MINUTE PA	ART B TREATMEN		
			MINUTES PER T		11,555	
			PART B TREATM		173,325	
			ED FOR PART B T		170,020	1.39
					ID MANAGED CARE	11.70
		CTOR (20%)	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			2.34
		FF REQUIRED			_	14.04
					=	

	PROPOSED THERA	PY STAFF		
		PATIENT	BUDGETD	BUDGETED
POSITION	HOURS PPD	DAYS	HOURS	STAFF
OTR	0.2416	71	6,240	3.00
COTA	0.3221	71	8,320	4.00
 OT AIDES	16.	71	#	194
Purch Service		71		
RPT	0.2416	71	6,240	3.00
LPTA	0.2416	71	6,240	3.00
PT AIDES	N.75	71	70	
Purch Service		71		
SLP - CCC	0.0805	71	2,080	1.00
STA	-	71	₩.	
ST AIDE	-	71	2	39
Purch Service		71		
TOTAL THERA	PY STAFF PER BUDG	ET		14.00
	121			

The Health Center of Hermitage Applicant's Projected Payor Mix by Level of Care

Udd	495.02	747 50	00:11			275.43	5.05 (1)	0.38		475 29	275 43	5 44	
% of Total	38.01%	24 39%	%UU U		%00.0	36.16%	1 33%	0.10%	100.00%	62.41%	36.16%	1.43%	
Net	1.266.251	812 655			20	1 204 717	44 264	3,357		2.078,906	1.204.717	47 621	
Cont Adj/ Bad Debt	(708.826)	(649.823)				(3.019)	(111)	, ,		(1,358,649)	(3,019)	(111)	(4 264 270)
Gross	1.975.077	1.462.478				1,207,736	44.375	3,357		3,437,555	1,207,736	47,732	4 602 023
Average Daily Census	7.01	4.98			50 104	11.98				11.99	11.98		22.07
Average Days of Care Daily Census	2,558	1,816			*	4,374				4,374	4,374		8778
Patient Admissions	263	163								426			426
Payor/Care Level	Medicare/Skilled Care	Managed Care/Tenn Care Skilled Care	Private Pay - Skilled	Managed Care/Tenn Care ICF	Hospice	Private Pay - ICF	Medicare Part B	Other Revenue		Total - Skilled	Total - ICF	Total Other Revenue	Grand Total

				YEAR 2					
	Patient		Average	Gross	Cont Adj/	Net	% of Total		%
Payor/Care Level	Admissic		Days of Care Daily Census	Revenue	Bad Debt	Revenue	Revenue	PPD	Inflation
Medicare/Skilled Care	488	7,552	20.69	6,083,626	(2,270,512)	3.813.114	37.66%	504.91	2 00%
Managed Care/Tenn									
Care Skilled Care	333	5,362	14.69	4,462,138	(2,014,775)	2,447,363	24.17%	456.43	2.00%
Private Pay - Skilled			ė	**	3.		%000	5	
Managed Care/Tenn									
Care ICF					ě	(4)	0.00%		
Hospice		į	•	Ó		-	0.00%		
Private Pay - ICF		12,915	35.38	3,726,439	(9,316)	3,717,123	36.71%	287.81	4.50%
Medicare Part B				136,900	(342)	136,558	1.35%	5.29	%00.0
Other Revenue				10,821	•	10,821	0.11%	0.42	9.19%
							100.00%		
Total - Skilled	821	12,914	35.38	10.545.764	(4.285.287)	6 260 477	61.83%	484 78	2 00%
Total - ICF		12,915	35.38	3,726,439	(9.316)	3.717.123	36 71%	287.82	4 50%
Total Other Revenue				147,721	(342)	147,379	1.46%	5.71	28.4
Grand Total	821	25,829	70.76	14,419,924	(4.294.945)	10.124.979	100 00%	392.00	2 94%

(1) - Medicare Part B Revenue and other revenue is divided by total patient days to determine PPD amount.

The Health Center of Hermitage 90 Bed Center

Staffing - Full Time Equivalents Year 2

Administrator	90 Beds 1.00
Medical Director	*
Secretary	
Receptionist	1.40
Bookkeeper	1.50
RN's	8.40
LPN's	5.60
Aides	32.20
DON	1.00
Nursing Supply Clerk	0.50
Nursing Secretary	0.50
MDS Coordinator	2.00
Alzheimer Nursing Coordinator	
ADON	1.00
Rehab Aides	
Assisted Living	
Medical Records - Head	1.00
Medical Records - Staff	1.00
Speech Therapy	*
Occupational Therapy	*
Physical Therapy	*
Dietary	7.30
Laundry	3.30
Housekeeping	8.50
Maintenance - Dept Head	1.00
Maintenance - Staff	1.00
Other (spec.)	
Activities - Dept Head	1.00
Activiteis - Alzheimer	
Activities Staff	1.00
Social Services - Dept Head	1.00
Social Services - Staff	2.00
Total	83.20

^{*} Consultants

Section C – Economic Feasibility – 6b Estimated Rates

Davidson County 2011 Nursing Home Rates

NURSING HOMES	SNF/Medicare	Mod	Medicaid	Private Pav/Private Room	rivate Room	Drivoto D.	1
		Level II	Level 1	Level II	Level I	Frivate Pa	Private Pay Semi/Pvt evel II Level I
1 Belcourt Terrace	\$523.00	\$178.00	\$163.00	\$265.00	\$174.00	\$265.00	\$174.00
2 Bethany Health Care Center	\$547.00	\$230.00	\$191.00	\$249.00	\$210.00	\$195.00	\$234.00
3 Bordeaux Long Term Care	\$500.00	\$500.00	\$170.00	\$365.00	\$185.00	\$350.00	\$170.00
4 Crestview Nursing Home	\$475.00	\$178.00	\$156.00	N/A	\$185.00	\$195.00	\$180.00
5 Cumberland Manor	\$177.00	N/A	\$177.00	N/A	\$183.00	\$177.00	\$177.00
6 Donelson Place Care & Rehab Center	\$190.00	\$190.00	\$190.00	N/A	\$186.00	N/A	\$186.00
7 Good Samaritan Health & Rehab	N/A	N/A	N/A	N/A	N/A	N/A	N/A
8 Grace Healthcare of Whites Creek	\$432.00	\$168.00	\$153.00	N/A	\$185.00	N/A	N/A
9 Green Hills Health & Rehab Center	\$412.00	\$163.00	\$156.00	\$250.00	\$250.00	\$214.00	\$214.00
10 Imperial Gardens Health & Rehab	\$468.00	\$178.00	\$163.00	\$220.00	\$190.00	\$210.00	\$180.00
11 Jackson Park Christian Ноте	N/A	N/A	N/A	\$164.00	N/A	N/A	\$151.00
12 Lakeshore Heartland	N/A	N/A	\$161.00	N/A	\$184.00	N/A	\$174.00
13 Madison Healthcare & Rehab (Kindred)	\$444.00	\$158.00	\$145.00	N/A	N/A	\$175.00	N/A
14 McKendree Village	\$461.00	\$163.00	\$178.00	\$280.00	\$180.00	\$270.00	\$170.00
15 Health Center at Richland Place	\$497.00	N/A	N/A	\$400.00	\$251.00	\$345.00	\$223.00
16 The Meadows	N/A	N/A	N/A	N/A	N/A	N/A	N/A
17 Trevecca Health Care Center	\$488.00	\$230.00	\$191.00	\$284.00	\$207.00	\$269.00	\$192.00
18 Vanco Manor	\$194.00	N/A	\$187.00	N/A	\$210.00	\$194.00	\$187.00
19 West Meade Place	\$265.00	\$265.00	\$175.00	\$265.00	\$200.00	\$265.00	\$175.00
20 Woodcrest at Blakeford	\$365.00	N/A	N/A	\$435.00	\$270.00	\$365.00	\$215.00
Average Rates	\$402.38	\$216.75	\$170.40	\$288.82	\$203.13	\$249.21	\$187.63

Source: 2011 Joint Annual Report Schedule H - Financial Data - Daily Charge

Davidson County Estimated 2016 Nursing Home Rates

			Es	Estimated 2016 Rates	es		
NURSING HOMES	SNF/Medicare	Mer Level II	Medicald	Private Pay/F	Private Pay/Private Room Level II Level I	Private P Level II	Private Pay Semi/Pvt
1 Belcourt Terrace	\$651.75	\$221.82	\$203.13	\$330.24	\$216.84	\$330.24	\$216.84
2 Bethany Health Care Center	\$681.66	\$286.52	\$238.02	\$310.30	\$261.70	\$243.01	\$291.61
3 Bordeaux Long Term Care	\$623.09	\$623.09	\$211.85	\$454.86	\$230.54	\$436.16	\$211.85
4 Crestview Nursing Home	\$591.94	\$221.82	\$194.40	N/A	\$230.54	\$243.01	\$224.31
5 Cumberland Manor	\$220.57	N/A	\$220.57	N/A	\$228.05	\$220.57	\$220.57
6 Donelson Place Care & Rehab Center	\$236.77	\$236.77	\$236.77	N/A	\$231.79	N/A	\$231.79
7 Good Samaritan Health & Rehab	N/A	N/A	N/A	N/A	N/A	N/A	N/A
8 Grace Healthcare of Whites Creek	\$538.35	\$209.36	\$190.67	N/A	\$230.54	N/A	N/A
9 Green Hills Health & Rehab Center	\$513,43	\$203.13	\$194.40	\$311.55	\$311.55	\$266.68	\$266.68
10 Imperial Gardens Health & Rehab	\$583.21	\$221.82	\$203.13	\$274.16	\$236.77	\$261.70	\$224.31
11 Jackson Park Christian Home	N/A	N/A	N/A	\$204.37	N/A	N/A	\$188.17
12 Lakeshore Heartland	N/A	N/A	\$200.64	N/A	\$229.30	N/A	\$216.84
13 Madison Healthcare & Rehab (Kindred)	\$553.30	\$196.90	\$180.70	N/A	N/A	\$218.08	N/A
14 McKendree Village	\$574.49	\$203.13	\$221.82	\$348.93	\$224.31	\$336.47	\$211.85
15 Health Center at Richland Place	\$619.35	N/A	N/A	\$498.47	\$312.79	\$429.93	\$277.90
16 The Meadows	N/A	N/A	N/A	N/A	N/A	N/A	N/A
17 Trevecca Health Care Center	\$608.14	\$286.62	\$238.02	\$353.92	\$257.96	\$335.22	\$239.27
18 Vanco Manor	\$241.76	N/A	\$233.04	N/A	\$261.70	\$241.76	\$233.04
19 West Meade Place	\$330.24	\$330.24	\$218.08	\$330.24	\$249.24	\$330,24	\$218.08
20 Woodcrest at Blakeford	\$454.86	N/A	N/A	\$542.09	\$336.47	\$454.86	\$267.93
Average Rates	\$501.43	\$270.11	\$212.35	\$359.92	\$253.13	\$310.57	\$233.81

Source: 2011 Joint Annual Report Schedule H - Financial Data - Daily Charge

Davidson County Estimated 2017 Nursing Home Rates

			Est	Estimated 2016 Rates	Se		
NURSING HOMES	SNF/Medicare	Med Level II	Medicaid	Private Pay/F Level II	Private Pay/Private Room Level II Level I	Private Pa	Private Pay Semi/Pvt
1 Belcourt Terrace	\$681.08	\$231.80	\$212.27	\$345.10	\$226.59	\$345.10	\$226.59
2 Bethany Health Care Center	\$712.34	\$299.52	\$248.73	\$324.26	\$273.47	\$253.94	\$304.73
3 Bordeaux Long Term Care	\$651.13	\$651.13	\$221.38	\$475.32	\$240.92	\$455.79	\$221.38
4 Crestview Nursing Home	\$618.57	\$231.80	\$203.15	N/A	\$240.92	\$253.94	\$234.41
5 Cumberland Manor	\$230.50	N/A	\$230.50	N/A	\$238.31	\$230.50	\$230.50
6 Donelson Place Care & Rehab Center	\$247.43	\$247.43	\$247.43	N/A	\$242.22	N/A	\$242.22
7 Good Samaritan Health & Rehab	N/A	N/A	N/A	N/A	N/A	N/A	N/A
8 Grace Healthcare of Whites Creek	\$562.58	\$218.78	\$199.25	N/A	\$240.92	N/A	N/A
9 Green Hills Health & Rehab Center	\$536.53	\$212.27	\$203.15	\$325.57	\$325.57	\$278.68	\$278.68
10 Imperial Gardens Health & Rehab	\$609.46	\$231.80	\$212.27	\$286.50	\$247.43	\$273.47	\$234.41
11 Jackson Park Christian Home	N/A	N/A	N/A	\$213.57	N/A	N/A	\$196.64
12 Lakeshore Heartland	N/A	N/A	\$209.66	N/A	\$239.62	N/A	\$226.59
13 Madison Healthcare & Rehab (Kindred)	\$578.20	\$205.76	\$188.83	N/A	N/A	\$227.90	N/A
14 McKendree Village	\$600.34	\$212.27	\$231.80	\$364.63	\$234.41	\$351.61	\$221.38
15 Health Center at Richland Place	\$647.22	N/A	N/A	\$520.90	\$326.87	\$449.28	\$290.40
16 The Meadows	N/A	N/A	N/A	N/A	N/A	N/A	N/A
17 Trevecca Health Care Center	\$635.50	\$299.52	\$248.73	\$369.84	\$269.57	\$350.31	\$250.03
18 Vanco Manor	\$252.64	N/A	\$243.52	N/A	\$273.47	\$252.64	\$243.52
19 West Meade Place	\$345.10	\$345.10	\$227.90	\$345.10	\$260.45	\$345.10	\$227.90
20 Woodcrest at Blakeford	\$475.32	N/A	N/A	\$566.48	\$351.61	\$475.32	\$279.99
Average Rates	\$524.00	\$282.26	\$221.91	\$376.12	\$264.52	\$324.54	\$244.34

Source: 2011 Joint Annual Report Schedule H - Financial Data - Daily Charge

Section III – Contribution of Orderly Development – 7b Copy of CON

STATE OF TENNESSEE Health Services and Development Agency



Certificate of Need No. <u>CN1107-024A</u> is hereby granted under the provisions of T.C.A. § 68-11-1601, <i>et seq.</i> , and rules and regulations issued thereunder by this Agency.
To: The Health Center of Nashville, LLC 100 Vine Street, 12th Floor Murfreesboro, TN 37130
For: The Health Center of Nashville
This Certificate is issued for: Change of site/relocation of CN1002-007A for the construction of a 150 bed nursing home.
On the premises located at: Unaddressed site at Southeast quadrant of Highway 100 and Pasquo Road Nashville (Davidson County), TN 37221
For an estimated project cost of: \$23,894,100.00
The Expiration Date for this Certificate of Need is
November 1, 2014
or upon completion of the action for which the Certificate of Need was granted, whichever occurs first. After the expiration date, this Certificate of Need is null and void.
Date Approved: September 28, 2011 Chairman
Date Issued: October 26, 2011 Executive Director

Attachment – Proof of Publication

Public Notices

INVITATION FOR BIDS

The Metropolitan Development and Development and Housing Agency (MDHA) will receive sealed bids at 712 South Sixth Street, Nashville, Tennessee 37206, for the Stornwater System Improvements for Parthenon Tower Green Infrastructure located at 301 28th Ave. North, Nashville, TN. Bids will be opened June 28, 2013 at 2:00 p.m. in the MDHA Construction Department Conference Room. Agency

712 South Sixth Street, Nashville, TN 37206. 37206.
Plans and Specifications are on file at the offices of F. W. Dodge Corporation, TN AGC & ISqFt, Nashville Contractions of the contraction o

tors Association, Nashville Minority Business Center, As-sociated Gas General Nash-

Business Center, Associated General Contractors, Mash-ville Builders Exchange, and Middle Tennessee Diversity Contractors Association all in Nashville, Tennessee. Copies of bid documents may be obtained at ARC, 407 Lafayette Street, Suite 200, Nashville, TN 37203. Bid documents require a \$50 refundable deposit payable to MDHA. A pre-bid conference will be held at the MDHA Construction Department, 712 South Sixth Street, Nashville, TN 37206 on June 18, 2013 at \$900 a.m. For additional information, call (615) 2572-8498.

0101658354 SUBSTITUTE

SUBSTITUTE TRUSTEE'S SALE Sale at public auction will be on July 11, 2013 at 12:00PM local time, at the east door, Sumner County Courthouse, Gallatin, Tennessee, Canducted by Sha-County Courthouse, Gallatin, Tennessee, conducted by Sha-piro & Kirsch, LLP

Central Mortgage The Company following real located state

will sell and convey only as Substitute Trustee. If the highest bidder cannot pay the bid within twenty-four (24) hours of the sale, the next highest bidder, at their highest bid, will be deemed the successful bidder. This property is being sold with the express reservation

Hoor Memphis, TN 38117 Phone (901)767-5566 Fax (901)761-5690

state located in Summer County, Tennessee, will be sold to the highest to all unpaid taxes, prior liens and encumbrances of record:
Land in the 7th Civil District of Summer County Tennessee, Being Lot No. 51, on the Plan of Long Hollow Pointe, Section Three, of record in Plat 600 (a. there being Code, there being Cod

202NASHVILLE,

One call delivers your classified ad all over Middle Tennessee. Call 242-SALE, loday!

Trust executed by Jonathan D. McGowan and Jaime C. McGowan, husband and wife, to Hallmark Title Company and or Steven G. Waters, Trustee, on July 7, 2006 at Record Book 2551, Page 256; all of record in the Sumner County Register's Office.

hallmark Itte Company and or Steven G. Waters. Trustee, on July 7, 2006 at Record Book 2551, Page 256; all of record in the Sumner County Register's Office. National Association, as Trustee, on behalf of the holders of the Home Equity Pass Through Certificates, Series 2006-7 Home Equity Pass Thro

cumbrances of cord:
cord:
Described property
located in the 5th
Civil District of
Sumner County Civil District of Summer County, Tennessee, to wit: Being Lot Number 104 on the Plan of Rolling Acres, Section Three, of record in Plat Book 5, Page 11, in the Register's Office for Summer County, Tennessee, Said Lot Number 104 fronts 100 feet on the easterly margin of Ivy Drive and extends back 198.6 feet on the northerly line and 196.87 feet on the northerly line to a dead line, which is a broken line, measuring 100.83 feet thereon. Street Address: 204 Ivy Drive, Hendersonville, Tennessee 37075 Parcel Number 1601.8-007.00 Current Owner(s) of Property: Jonathan

Current Owner(s) of Property: Jonathan Current Donaum Property: Jonaum D. McGowan and wife, Jaime C.

McGowan
Other Interested
parties: OWNIT
Mortgage Solutions,
Inc., Mortagage
Electronic Registra-Electronic new Inc., tion Systems, Inc., OWNIT Mortgage Main

the legal description of the property sold herein and in the event of any dis-crepancy, the legal description refer-enced herein shall

ing sold with the express reservation that the sale is subject to confirmation by the lender or trustee. This sale may be rescinded at any time.
Shapiro & Kirsch, LLP Substitute
Trustee

LLP Substitute Trustee www.kirschattorney s.com Law Office of Sha-piro & Kirsch, LLP 555 Perkins Road Ex-tended, Second Floor Memphis, TN 38117 Phone (901)761-5690 File No. 13-047887

File No. 13-047887

0101658566 SUBSTITUTE

SUBSTITUTE
TRUSTEE'S SALE
Sale at public auction will be on July
11, 2013 at 12:00PM
local time, at the
east door. Summer
County Courthouse,
Gallatin, Tennessee,
conducted by Shapiro & Kirsch, LLP
Substitute Trustee,
pursuant to Deed of
Trust executed by
James A. Moore, a
married man, and
wife, Debbie Moore, to
Larry A.
Weissman, Trustee,
on November 14,
2008 at Record Book
3040, Page 426; all of

cumbrances cord; Described

Described property located in Some County Tennesses, and being more par-ticularly described and-being more par-ticularly described in deed of record in Record Book 3040, Page 426; in the Reg-ietar's Office of Office of County, Sumner

Tennessee Pro, 1107 Eas Street, TN Secondary Address: Main Mitchellville,

Address: 1107 East Matrio Board of Public Education, 2601 17148 | Tangle Metro Board of Public Education, 2601 17148 | Tangle Metro Board of Public Education, 2601 17148 | Tangle Metro Board of Public Education, 2601 17148 | Tangle Metro Board of Public Education, 2601 17149 | Tangle Metro Board of Public Education, 2601 17149 | Tangle Metro Board of Public Education, 2601 17149 | Tangle Metro Board of Public Education, 2601 | Tangle Metro Board Metro Board of Public Education, 2704 | Tangle Metro Board of Public Education, 2601 | Tangle Metro Board Metro

but the undersined will sell and convey only as Substitute Trustee.

If the highest bidder cannot pay the bid within twenty-four (24) hours of the sale, the next highest bidder, at their highest bid, will be deemed the successful bidder. This property is being sold with the express reservation that the sale is subject to confirmation by the lender or trustee. This sale may be resclined at any time.

Shapiro & Kirsch, LLP

Conditional to met column

FOR BIDS

FOR BIDS
Joelton Middle
School Reportion
Methopolistan Natistille/Public Schools
Metropolitan Nastiville Public Schools
(MNPS) is soliciting
bids for the project
referenced above.
Sealed bids will be
received in the office of the Director
of Facility Planning
and Construction,
Metro Board of PubMetro Board of PubMetro Board of PubMetro Board of Puband Construction, Metro Board of Pub-lic Education, 2601

0101659116
Notice of Meeting
The Housing and
Community Resources Committee of
the Board of Commissioners of the
Metropolitan Development and Housing
Agency will meet at
1 p.m. on Tuesday,
June 11, 2013 at the
Agency's office located at 701 South
Sixth Street.

0101658559 SUBSTITUTE

TRUSTEE'S SALE
Sale at public auction will be on August 8, 2013 at 12:00PM local time, at the east door, Surmer County C o u r t h o u s e . Gallatin, Tennessee, conducted by Sha-piro & Kirsch, LLP Substitute Trustee,

gage, LLC he ellowing real state ocated in

Tennessee, will be sold to the highest call bidder subject to all unpaid taxes, prior liens and en-cumbrances of re-

cord: Land in the 5th Civil District of Sumne County, Tennessee County, Tennessee being Lot No. 203 or

being Lot No. 203 or the Plat of Ballentrae Sectior 111, as of record ir Plat Book 11, Page 328, Register's Of-fice for Sumnee County, Tennessee to which plan refer-ence is hereby made for a more complete description of said lot.

lot. Street Address: 113 Wickham Court, Hendersonville, Tennessee 37075 Parcel Number: 164N F 10.00 Current Owner(s) of Property: Robert Truslow, a married man

man street address of the above described property is believed to be 11.1 Wickham Court Hendersonville, Ten nessee 37075, bu such address is not part of the legal description of the property sold hereir and in the event o any discrepancy, the and in the event o any discrepancy, the legal description ref erenced herein shal

erenced herein shal control.

SALE IS SUBJECT TO TENANT(S) RIGHTS IN POSSESSION. All right of equity or edemption, statutory and otherwise and homestead are expressly waived it said Deed of Trustiand the title is be lieved to be good but the undersigned will sell and convey only as Substitute Trustee. only as Substitut Trustee. If the highest bidd

If the highest bidde cannot pay the ble within twenty-fou (24) hours of the sale, the next high est bidder, at theil highest bid, will be deemed the successful bidder. This property is believed the successful bidder. This property is being sold with the ex

OTTENIOS (CROTEX



Public Notices Public Notices

O101658593
NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED
This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. 5 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that:
The Health Center of Hermitage, Nursing Home owned by: The Health Center of Hermitage, LLC with an ownership type of Limited Liability Company and to be managed by: The Health Center of Hermitage, LLC intends to file an application for a Certificate of Need for: Change of Siter/Reflocation of 60 of the 150 beds authorized by CN1107-24A and the addition of 30 new skilled beds for a total of 90 nursing home beds to be constructed and called The Health Center of Hermitage. The Health Center of Hermitage will be constructed for Medicare of Hermitage will be critified for Medicare of Hermitage will be critified for Medicare of Hermitage will be cated along Bell Road approximately 2 miles south of its intersection with 1-40. The undeveloped property does not have an address. It's location is on the west side of Bell Road approximately 3 cares with 650 feet of frontage in Nashville, (Davidson County), Tennessee. The estimated project costs is \$20,142,000. The project is being filed according to Tennessee Code Annotated, Title 68, Chapter 11, Part 16, and/or House bill No. 2632, relative to the qualified partial relocation of certain nursing home facilities.

on No. 2032, elected to the quantities of the articlated date of filing the application is: June 14, 2013
The anticipated date of filing the application is: June 14, 2013
The contact person for this project is Bruce K. Duncan Assistant Vice President who may be reached at: National HealthCare Corporation 100 Vine Street, 12th Floor Murfreesboro, Tennessee 37130 615/ 890-2020
Upon written request by interested parties, a local Fact-finding public hearing shall be conducted. Written requests for hearing should be sent to:
Health Services and Development Agency

Health Services and Development Agency
The Frost Building, Third Floor
161 Rosa L Parks Boulevard
The published Letter of Intent must contain the following statement pursuant to
T.C.A. § 68-11-1607(c)(1). (A) Any health
care institution wishing to oppose a Certificate of Need application must file a
written notice with the Health Services
and Development Agency no later than
fifteen (15) days before the regularly
scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B)
Any other person wishing to oppose the
application must file written objection
with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

Increase its visibility with an Open House.

Open houses are a great way to get potential buyers INTO your home. And The Tennessean is best way to get the word out.

Talk to your real estate agent today to schedule your Open House ad or call 259-8234 today.

Attachment – Letters of Support

DOUGLAS HENRY SENATOR

21st SENATORIAL DISTRICT OF DAVIDSON COUNTY

PRIVATE OFFICE:

200 CAPITOL BOULEVARD BUILDING NASHVILLE, TN 37219-1889 (615) 244-6931 FAX (615) 255-1995

LEGISLATIVE OFFICE:

321 WAR MEMORIAL BUILDING NASHVILLE, TENNESSEE 37243-0021 PHONE: (615) 741-3291

FAX: E-MAIL ADDRESS: sen.douglas.henry@capitol.tn.gov



NASHVILLE

Chairman Emeritus COMMITTEE ON FINANCE, WAYS AND MEANS

MEMBER OF COMMITTEES

FISCAL REVIEW COMMITTEE
GENERAL WELFARE AND
HUMAN RESOURCES
RULES COMMITTEE

MEMBER:
TENNESSEE STATE MUSEUM
FOUNDATION BOARD
MEMBER
TENNESEE STATE MUSEUM
COMMISSION
COUNCIL ON PENSIONS AND
INSURANCE

TENNESSEE COMMISSION ON INTERGOVERNMENTAL RELATIONS

June 12, 2013

Ms. Melanie Hill, Executive Director State of Tennessee Health Services and Development Agency 161 Rosa L. Parks Blvd, 3rd Floor Nashville, TN 37243

Dear Ms. Hill:

It has been brought to my attention that a 498 nursing home bed need will exist by 2015 in Davidson County for additional skilled beds. I am told that skilled Medicare beds can often be difficult to find when needed in the community. NHC is responding to this need by requesting CON approval for the relocation of 60 beds and the addition of 30 beds for a new 90 bed skilled facility.

I urge you to approve NHC's request to construct a 90 skilled bed nursing facility to service the residents of Davidson County.

Sincerely,

Douglas Henry



Steven Dickerson STATE SENATOR 20TH SENATORIAL DISTRICT

REPRESENTING DAVIDSON COUNTY

E-MAIL
Sen steven dickerson@capitol tn gov

Senate Chamber State of Tennessee

LEGISLATIVE OFFICE 310 WAR MEMORIAL BUILDING NASHVILLE, TN 37243 615-741-6679

NASHVILLE

June 11, 2013

Ms. Melanie Hill, Executive Director State of Tennessee Health Services and Development Agency 161 Rosa L. Parks Blvd, 3rd Floor Nashville, TN 37243

Dear Ms. Hill:

Please accept this letter as my support for NHC at The Health Center at Hermitage and its plans for the relocation of 60 beds and the addition of 30 beds for the construction of a new 90 bed skilled facility.

NHC is filing this CON based on the bed need projection for additional skilled beds in Davidson County. We need to meet the demands of our senior population with quality care and NHC is a great resource.

NHC is to be commended for their care and for their future commitment of creating more housing to meet the aging senior's needs. I wish NHC well in the fulfillment of its mission of care for the elderly.

Sincerely,

Senator Steven Dickerson, M.D.



2013 JUN 14 PM 2 06

June 12, 2013

Ms. Melanie Hill, Executive Director State of Tennessee Health Services and Development Agency 161 Rosa L. Parks Blvd, 3rd Floor Nashville, TN 37243

Dear Ms. Hill:

Please accept this letter as my support for NHC at The Health Center at Hermitage and its plans for the relocation of 60 beds and the addition of 30 beds for the construction of a new 90 bed skilled facility.

NHC is filing this CON based on the bed need projection for additional skilled beds in Davidson County. We need to meet the demands of our senior population with quality care and NHC is a great resource.

NHC is to be commended for their care and for their future commitment of creating more housing to meet the aging senior's needs. I wish NHC well in the fulfillment of its mission of care for the elderly.

Sincerely,

Tim Scarvey

SVP TriStar Health

Copy

Supplemental #1

The Health Center of Hermitage

CN1306-022

2013 JUN 28 AM 8 29 OMISSION RESPONSES

TO

THE HEALTH CENTER OF HERMITAGE, LLC CON APPLICATION FOR:

THE HEALTH CENTER OF HERMITAGE

90 BED NURSING HOME

DAVIDSON COUNTY

June 27, 2013

ATTN: MR. MARK A. FARBER, DEPUTY DIRECTOR

1. Section B, Project Description, Item 1I.A.

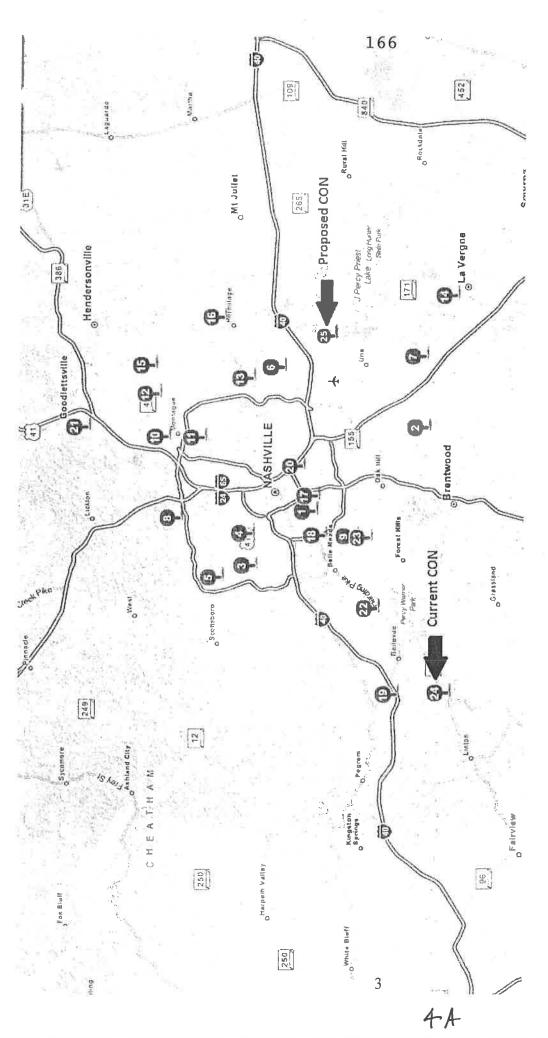
Please provide a dot density map of Davidson County identifying the location of all nursing homes.

Please see the attached map.

Nursing Home Key

- 1 Belcourt Terrace
- 2 Bethany Health Care Center
- 3 Bordeaux Long Term Care
- 4 Crestview Nursing Home
- 5 Cumberland Manor
- 6 Donelson Place Care & Rehab Center
- 7 Good Samaritan Health & Rehab
- 8 Grace Healthcare of Whites Creek
- 9 Green Hills Health & Rehab Center
- 10 Imperial Gardens Health & Rehab*
- 11 Jackson Park Christian Home
- 12 Kindred Nursing & Rehab Madison
- 13 Lakeshore Heartland
- 14 Life Care Center of Hickory Woods
- 15 Life Care Center of Old Hickory Village
- 16 McKendree Village
- 17 Signature HealthCare of Nashville
- 18 Health Center at Richland Place
- 19 The Meadows
- 20 Trevecca Health Care Center
- 21 Vanco Manor
- 22 West Meade Place
- 23 Woodcrest at Blakeford
- 24 Current CON Location
- 25 Proposed CON Location

SUPPLEMENTAL- # 1
June 28, 2013
8:25 am



Please explain what a PUD is.

A Planned Urban Development (PUD) is a type of community zoning classification that is planned and developed within a city, municipality and/or state that contains both residential and non-residential buildings (such as shopping centers). Open land, such as for parks, is also often included in the zones

In order to make certain communities more attractive and self-sufficient, city planners will provide them with both residential and professional zoning. This allows for the development of homes, shopping centers and/or light industry, as well as recreation areas such as parks. Areas such as these are valuable in that they provide their inhabitants with both housing and a place to work.

Please identify which nursing homes in Davidson County are unable as well, as those that are able to take on patients requiring sub-acute care.

From the attached tables in Question Two, the centers in Davidson County that provide skilled level of care are "able" to take patients requiring subacute care assuming that they have the staff and physical plant to accommodate the patient. However, what is quite often the case is that SNF Medicare beds tend to the beds that skilled patients being discharged from the hospitals tend to be admitted to, while licensed Medicaid beds are often times occupied by long term care patients receiving intermediate care. Most of NHC's admissions are Medicare patients.

The question is better answered by what the centers are actually providing in the way of skilled care, which is reported on the tables in Question Two. Also note that the nursing home bed need formula which has been applied in this application is for skilled need only. So the nursing home beds which are vacant in intermediate care certified beds really have no impact on our proposed project.

Please cite and present in writing the statute that allows the applicant to partially relocate beds from an approved but unimplemented CON location to a new location.

Please see the attached law.



State of Tennessee PUBLIC CHAPTER NO. 618

HOUSE BILL NO. 2632

By Representatives Gotto, Mike Turner

Substituted for: Senate Bill No. 2553

By Senators Ketron, Stewart

AN ACT to amend Tennessee Code Annotated, Title 68, Chapter 11, Part 16, relative to the qualified partial relocation of certain nursing home facilities.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 68, Chapter 11, Part 16, is amended by adding the following language as a new, appropriately designated section:

68-11-16

- (a) Notwithstanding any other provision of law, the agency shall consider a certificate of need application for a qualified partial relocation of a nursing home facility.
- (b) A certificate of need application for a qualified partial relocation of a nursing home facility refers only to the following circumstances:
 - (1) The holder of an unimplemented certificate of need issued under §68-11-1628, prior to January 1, 2012, seeks to relocate within the same county a portion of the nursing home beds that are the subject of the unimplemented certificate of need; or
 - (2) An existing nursing home facility seeks to relocate to a new site within the same county up to fifty percent (50%) of its existing licensed nursing home beds; provided, that the nursing home facility meets all of the following criteria:
 - (A) The nursing home facility has at least one hundred eighty (180) licensed beds;
 - (B) The nursing home facility has operated for at least twenty-five (25) years at a location within five hundred (500) feet of a general acute care hospital that has more than two hundred (200) licensed beds; and (C) The general acute care hospital relocated to a new site within the same county and more than two (2) miles from its previous location.
- (c) An application for a qualified partial relocation of a nursing home facility that does not seek to increase the number of licensed beds from the number of beds to be relocated shall be reviewed by the department and considered by the agency pursuant to §68-11-1609(b), and shall not be considered new nursing home beds. The criteria of §§ 68-11-1621 and 68-11-1622 shall not apply to an application for a qualified partial relocation of a nursing home facility.
- (d) If an application for a qualified partial relocation of a nursing home facility seeks to increase the number of licensed beds from the number of beds to be relocated, that portion of the application that increases the number of beds shall comply with §68-11-1622, and shall be considered new nursing home beds. The remaining part of the application relative to the qualified partial relocation

HB 2632

it.

shall be reviewed by the department and considered under the criteria set out in subsection (c) above.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring

82

HOUSE BILL NO. 2632

PASSED: MARCH 8, 2012

BETH HARWELL, SPEAKER HOUSE OF REPRESENTATIVES

> RON RAMSEY SPEAKER OF THE SENATE

APPROVED this 23 day of March 2012

BILL HASLAM, GOVERNOR

2013 JUN 28 AM 8 29

2. Section B, Project Description, Item II.B.

Please complete the following table:

Nursing Home Utilization Trends within 10 mile radius of Proposed Project

Facility	Licensed	CON	SNF	SNF/NF	2009	2010	2011	′09-′11 %
-	Beds	Approved	Beds-	Beds-	Licensed	Licensed	Licensed	change
		but	Medicare	Dually	ADC	ADC	ADC	
		Unimplem		Certified				
		ented Beds						-
Bethany								
Health &								
Rehab								
Donelson								
Place								
Good								
Samaritan								
Health								
Lakeshore								
Heartland								
Life Care-								
Hickory					ľ			
Woods								
McKendre								
е								
TOTAL								

Nursing Home Utilization Trends within 10 mile radius of Proposed Project

Facility	Licensed	CON	SNF	SNF/NF	2009	2010	2011
	Beds	Approved	Beds-	Beds-	Licensed	Licensed	Licensed
		but	Medicare	Dually	Occupancy	Occupancy	Occupancy
		Unimplem		Certified			
		ented Beds					
Bethany							
Health &							
Rehab		<u> </u>			<u>[</u>		
Donelson							
Place							
Good							
Samaritan							
Health							
Lakeshore							
Heartland							
Life Care-							
Hickory							
Woods							
McKendre							
e							
TOTAL							

Nursing Home Utilization Trends within 10 mile radius of Current Location

Facility	Licensed	CON	SNF	SNF/NF	2009	2010	2011	′09-′11 %
	Beds	Approved	Beds-	Beds-	Licensed	Licensed	Licensed	change
		but	Medicare	Dually	ADC	ADC	ADC	
	~	Unimplem		Certified				
		ented Beds						
The								
Meadows								
West								
Meade								
Place								
Woodcrest								
at								
Blakeford								
Greenhills								
Richland								
Place								
Crestview								
NHC-Cool								
Springs								
Somerfield		i i						
-Heritage								
TOTAL								

Nursing Home Utilization Trends within 10 mile radius of Current Location

Facility	Licensed Beds	CON Approved but Unimplem ented Beds	SNF Beds- Medicare	SNF/NF Beds- Dually Certified	2009 Licensed Occupancy	2010 Licensed Occupancy	2011 Licensed Occupancy
The Meadows							
West Meade Place							
Woodcrest at Blakeford							
Greenhills Richland Place							
Crestview							
NHC-Cool Springs							
Somerfield -Heritage							
TOTAL							

Source: 2009 - 2011 JAR

*Life Care - Hickory Woods was licensed on 10/25/11, JAR data is not available for 2009 - 2011

	2013	CON Approved		SNF/NF	2009	2010	2011
Nursing Home	Licensed Beds	but Unimplemented Beds	SNF Beds - Medicare	Beds Dually Certified	Licensed Occupany	Licensed Licensed	Licensed Occupancy
Bethany Health and Rehab Center	180	N/A	0	90	95.8%	95.8%	93.3%
Donelson Place Care and Rehabilitation Center	124	N/A	0	124	81.9%	92.5%	81.0%
Good Samaritan Health and Rehab Center	110	N/A	0	30	96.4%	92.4%	85.5%
Lakeshore Heartland	66	N/A	0	0	97.6%	97.2%	74.6%
Life Care - Hickory Woods*	124	N/A	N/A	N/A	N/A	N/A	N/A
McKendree Village	150	30	0	50	31.4%	83.3%	87.5%
TOTAL	754	30	0	294	81%	92%	84%

*Life Care - Hickory Woods was licensed on 10/25/11, JAR data is not available for 2009 - 2011

TOTAL 754 30 0 29	McKendree Village 150 30 0 50	Life Care - Hickory Woods* 124 N/A N/A N/	Lakeshore Heartland 66 N/A 0 C	Good Samaritan Health and Rehab Center 110 N/A 0 30	Donelson Place Care and Rehabilitation Center 124 N/A 0 12	Bethany Health and Rehab Center 180 N/A 0 9	2013 CON Approved SNF Licensed but Unimplemented SNF Beds Beds Medicare Cert
797	50	N/A	0	30	124	90	SNF/NF S - Beds Dually re Certified
539	94	N/A	64	106	102	172	2009 Licensed ADC
578	125	N/A	64	102	115	172	2010 Licensed ADC
543	131	N/A	49	94	100	168	2011 Licensed ADC
1%	39%	N/A	-24%	-11%	-1%	-3%	09-11% Change

Nursing Home Utilization within 10 mile radius of The Health Center of Hermitage

SUPPLEMENTAL- # 1June 28, 2013 8:25 am

	2013	CON Approved		SNF/NF	2009	2010	2011
	Licensed	but Unimplemented	SNF Beds -	Beds Dually	Licensed	Licensed	Licensed
Nursing Home	Beds	Beds	Medicare	Certified	Occupany	Occupancy	Occupanc
The Meadows	113	N/A	10	0	64.2%	73.8%	100.4%
West Meade Place	120	N/A	0	60	84.7%	88.5%	80.4%
Woodcrest at Blakeford	83	N/A	83	0	84.1%	83.0%	94.9%
Green Hills Health & Rehab	150	N/A	0	150	78.3%	84.5%	84.3%
Richland Place	107	N/A	60	0	98.4%	98.4%	98.5%
Crestview	111	N/A	0	32	76.6%	74.6%	76.6%
NHC Place, Cool Springs	180	N/A	180	0	85.8%	87.3%	86.2%
Somerfield - Heritage	36	30	36	0	90.4%	89.7%	86.8%
TOTAL	900	30	369	242	83%	85%	89%

Source: 2009 - 2011 JAR

TOTAL	Somerfield - Heritage	NHC Place, Cool Springs	Crestview	Richland Place	Greenhills Health & Rehab	Woodcrest at Blakeford	West Meade Place	The Meadows	Nursing Home
900	36	180	111	107	150	83	120	113	2013 Licensed Beds
30	30	N/A	N/A	N/A	N/A	N/A	N/A	N/A	CON Approved but Unimplemented Beds
369	36	180	0	60	0	83	0	10	SNF Beds - Medicare
242	0	0	32	0	150	0	60	0	SNF/NF Beds Dually Certified
728	33	154	85	105	117	59	102	73	2009 Licensed ADC
763	32	157	83	105	127	69	106	83	2010 Licensed ADC
789	31	155	82	105	126	79	96	114	2011 Licensed ADC
8%	-4%	0.5%	-4%	0%	8%	34%	-5%	56%	09-11% Change

Nursing Home Utilization within 10 mile radius of Current CON Location

3. Section B, Project Description, Item IV. (Floor Plan)

Please provide enlarged floor plans so that the room labels are readable.

Please see the attached enlarged floor plans.

4. Section C., Need, Item I.a. (Service Specific Criteria-Nursing Home Services) (A. Need 2)

The Department of Health now has population projections available based on the 2010 census. Please use these updated projections to recalculate the bed need.

Please see the attached table based on the latest 2010 census.

2013 JUN 28 RM 8 30

Davidson County

County Bed Need

	2015 Population	Rate	Needed Beds by Age
Population 65 & Under	586,065	0.0005	293
Population 65-74	45,912	0.012	551
Population 75-84	21,580	0.06	1295
Population 85+	9,594	0.15	1,439
	663,151	. 3	3,578
		CON Less Existing Beds	(180) (3,063)
		Need	335

Source: Office of Health Statistics, Bureau of Health Informatics, Tennessee Department of Health
Existing beds based on licensed beds, Licensed Health Facilities, TN
Department of Health 6/13.
CON bed number includes NHC's 150 bed CN1107-24A and McKendree's
30 Bed CON

Please discuss how the Long-term Care Community Choices Act of 2008 has impacted nursing home utilization rates in Davidson County for years 2009, 2010, and 2011. The Long-term Care Community Choices Act of 2008 allows TennCare to pay for more community and home-based services for seniors such as household assistance, home delivered meals, personal hygiene assistance, adult day care centers and respite.

Even though the proposed project does not anticipate being TennCare/Medicaid certified, the impact of the Choices Act may be impacting the availability of beds that are dually-certified for Medicare skilled patients. Please discuss.

It is hard if not impossible to quantify the impact the Long-term Care Community Choices Act of 2008 has had on nursing home utilization rates in Davidson County for the simple reason that the data has not been made available by TennCare. But it is reasonable to say that the Choices Act has contributed to a decline in nursing home occupancy specifically in the number of patients receiving intermediate care. Home and community based services are not targeted at skilled level patients nor have they contributed to a decline in skilled Medicare days and services. In fact, Medicare and other third party payment source census has increased since the Choices Act was enacted.

2013 JUN 28 AM 8 30

5. Section C, Need, Item 4.A.

Please complete the following chart using DOH population Projections based on 2010 US Census, US Census Bureau data and TennCare enrollment data:

Variable	Davidson County	Tennessee
2013, Age 65+		
2015, Age 65+		
Age 65+, % Change		
Age 65+, % Total (2015)		
2013, Total Population		
2015, Total Population		
Total Pop. % Change		
TennCare Enrollees		
(2013)		
TennCare Enrollees as a		
% of Total Population		
(20 <u>1</u> 3)	3	
Median Age (2010)		
Median Household		
Income (2007-2011)		
Population % Below		
Poverty Level (2007-		
2011)		

Variable	Davidson County	Tennessee
2013, Age 65+	71,951	950,177
2015, Age 65+	77,086	1,012,937
Age 65+, % Change	7.14%	6.61%
Age 65+, % Total (2015)	11.62%	15.23%
2013, Total Population	649,507	6,528,014
2015, Total Population	663,151	6,649,438
Total Pop. % Change	2.10%	1.86%
TennCare Enrollees (2013)	120,067	1,199,087
TennCare Enrollees as a % of Total Population (2013)	18.49%	18.37%
Median Age (2010)	33	38
Median Household Income (2007-2011)	46,737	43,989
Population % Below Poverty Level (2007-2011)	17.7%	16.9%

Source: TN Health Statistics, US Census Bureau and TennCare Enrollment

6. Section C., Need, Item 5

As the applicant has noted the 165 licensed bed Imperial Garden reported minimal utilization in 2011. Additionally, according to Ann Reed, Department of Health, Imperial Gardens entered into inactive status May 2013. The applicant also noted that the most recent utilization from the JAR (2011) does not include 124 bed Life Care Center of Hickory Woods and 124 Life Care Center of Old Hickory Village, 30 approved but unimplemented beds at McKendree Village, as well as NHC's 150 approved but unimplemented beds. This suggests that utilization for 593 nursing home beds that are expected to come on line are not being considered.

Even with the exclusion of Imperial Gardens in 2011, the applicant reports area wide occupancy of 87.9%. One of the nursing home criterion in the Guidelines for Growth state that the following should be considered: "All outstanding CON projects in the proposed service area resulting in a net increase in beds are licensed and in operation, and all nursing homes that serve the same service are population as the applicant have an annualized occupancy in excess of 90%.

Another criterion states that "There shall be no additional nursing home beds approved for a service area unless each existing facility with 50 beds or more has achieved an average annual occupancy rate of 95%. According to the chart provided by the applicant and excluding Imperial Gardens only 5 of the 17 remaining nursing homes with more than 50 beds met this criterion.

Please explain in detail why the proposed request for 30 additional nursing home beds is not premature and why the applicant should not wait until updated utilization including recently licensed beds, currently inactive beds, and approved but unimplemented beds has been reported.

Please note that of the 593 beds referenced, only 30 beds represent a "net increase in beds the proposed service area", all other beds are replacement beds. The two Life Care Centers are opened but have not filed a Joint Annual Report that either State or applicant has been able to review. In addition, as heard at the recent HSDA meeting in June, the McKendree 30 bed project has not been implemented over the past year as a CON was just approved to increase the capital cost of the project.

The project is not premature and to suggest that we wait until all issues beyond our control have been resolved would not be in the best interest of the orderly development of health care given that the planning process takes roughly two and a half to three years to complete. Occupancy thresholds are set under the assumption that all providers are created equally regarding services and quality. However, we know that not to be true. In our previous answer to threshold occupancy rates we discussed reasons occupancy rates might be lower based on survey results and rating for some facilities. The criterion referenced above omitted the following statement circumstances of any nursing home, which has been identified by the Regional Administrator, as consistently non-complying with quality assurance regulations shall be considered in determining the service areas, average occupancy rate." We contend that the lower occupancy rates have been explained by the data presented.

SUPPLEMENTAL-#1

182

June 28, 2013 8:25 am

The final point is this, by looking strictly at the occupancy threshold, one loses focus on the fact that this project proposes a model of post-acute care unlike any in the market place. NHC proposed care model is so unique that Tri-Star entered into an agreement with NHC to offer its patients a care option what we believe will be a higher quality and better coordinated care model for patients in the post-acute care setting. The CON process should encourage these kinds of projects which bring new and innovative care models to the State. A very similar project recently approved by the HSDA Board was heard in Sullivan County involving NHC.

Please also complete the following chart:

Nursing Home	2013 Lic.'d	2009 Patient	2010 Patient	2011 Patient	'09- '11 % Change	2009 %	2010 %	2011 %
	Beds	Days	Days	Days	8	Occ.	Occ.	Occ.
Belcourt								
Terrace								
Bethany								
Health Cent.								
Bordeaux LTC								
Crestview NH								
Cumberland								
Manor								
Donelson Place								
Good								
Samaritan								
Grace								
Healthcare								
Green Hills								
Hlth. & Rehab								
Imperial								
Gardens								
Jackson Park								
Christ. Home								
Kindred								
Nursing								
Lakeshore								
Heartland								
McKendree								
Village								
Health Cntr.								
Richland Pl.								
The Meadows								
Trevecca HC								
Center								
Vanco Manor								
West Meade								
Place								
Woodcrest at								
Blakeford								
Total								

	2013	2009	2010	2011	2009 Licensed	2010 Licensed	2011 Licensed
Nursing Homes	Licensed Beds	Patient Days	Patient Days	Patient Days	Occupancy	Occupancy	Occupancy
Belcourt Terrace	49	14,235	14,636	15,350	%9.62	81.8%	85 85 88
Bethany Health Care Center	180	62,909	62,936	61,284	95.8%	95.8%	93.3%
Bordeaux Long Term Care	419	128,480	130,085	128,642	84.0%	85.1%	84.1%
Crestview Nursing Home	111	31,040	30,231	29,873	76.6%	74.6%	76.6%
Cumberland Manor	124	41,613	42,644	42,968	91.9%	94.2%	94.9%
Donelson Place Care & Rehab Center	124	37,077	41,882	36,675	81.9%	92.5%	81.0%
Good Samaritan Health & Rehab	110	38,717	37,094	34,343	96.4%	92.4%	85.5%
Grace Healthcare of Whites Creek	127	40,068	39,207	43,442	86.4%	84.6%	93.7%
Green Hills Health & Rehab Center	150	42,873	46,259	46,172	78.3%	84.5%	84.3%
Imperial Manor Convalescent Center*	165	49,875	46,288	117	82.8%	76.9%	0.2%
Jackson Park Christian Home	28	9,483	9,292	8,584	92.8%	%6.06	84.0%
Lakeshore Heartland	99	23,511	23,419	17,960	92.6%	97.2%	74.6%
Madison Healthcare & Rehab	102	34,468	35,370	33,728	92.6%	95.0%	90.6%
McKendree Village	150	34,437	45,594	47,882	31.4%	83.3%	87.5%
Health Center at Richland Place	107	38,442	38,445	38,481	98.4%	98.4%	1-98.5%
The Meadows	113	26,483	30,436	41,430	64.2%	73.8%	110.4%
Trevecca Health Care Center	240	80,338	79,092	77,422	91.7%	90.3%	68.4%
Vanco Manor	06	31,569	31,776	31,619	96.1%	96.7%	3%
West Meade Place	120	37,116	38,781	35,204	84.7%	88.5%	80.4%
Woodcrest at Blakeford	833	21,488	25,142	28,752	84.1%	83.0%	%6.9%
Total	2,658	824,222	848,609	799,928	84.4%	88.0%	क्षेट्रेड% 87.9% Less Imperial
							8
Source: 2009 - 2011 JAR							30

Source: 2009 - 2011 JAR

7. Section C, Need, Item 6

Your response to this item is noted.

Please complete the following tables:

The Health Center of Hermitage Projected Utilization

		I IIC I I C	itti Cente.	OI IICIIIII	age III) cc.	COL OTI	HEALICH	
Year.	Licensed	*Medicare-	SNF	SNF	SNF	NF	Total	Licensed
	Beds	certified beds	Medicare	Medicaid	All other	ADC	ADC	Occupancy
			ADC	ADC	Payors			%
.A.					ADC			
2017	90	45	7.01		4.98	11.98	23.99	26.63
2018	90	45	20.69		17.69	35.38	70.76	78.63

^{*} Includes dually-certified beds

The detailed charts noting how the proposed project is projected to ramp up is noted. Please provide a narrative response that provides some details on <u>how</u> the applicant expects the rate of growth to take place, e.g., surveys or letters from referral sources, etc.

We expect the center to have no problem filing its beds to capacity in the amount of time proposed, in fact we believe the projections to be conservative. NHC's relationships with Summit Medical Center (please see support letter from Jeff Whitehorn) and the volume of discharges they have on a yearly basis, and the past relationship NHC has had with Summit in our managing of McKendree Village's health center and their skilled rehab unit. In addition, NHC have close professional ties and relationships with the hospitals in the downtown Nashville area and routinely admit patients from these hospitals daily (St. Thomas, Baptist, Centennial, Vanderbilt, Southern Hills just to name a few).

NHC has community ties with area churches in the Hermitage area, and has worked with several hospice companies who utilize facilities, such as the one we are proposing, to assist with the care for individuals who are receiving comfort care services and require in-patient care or respite care (Caris, Alive, Odyssey, just to name a few)

In addition, there are a multitude of independent living and assisted living facilities within a 10-15 mile radius of our proposed health center location, and NHC has a longstanding relationship with these businesses through our relationships with managing McKendree Village, and through NHC HomeCare which has served the Hermitage/Mt. Juliet/Lebanon area.

The proximity of the location of our center in the Hermitage area is near I-40 which will also make us an attractive option for individuals who live in the area, as well as individuals coming from Donelson, and the greater downtown Nashville area.

8. Section C, Economic Feasibility, Item 3

The Nursing Home Cost per Square Foot Chart has been recently updated to reflect Years 2010-2012. Please update your response accordingly.

The proposed project is reasonable in relation to similar facilities in the state. The cost per bed is \$135,901, construction cost only or \$223,800 per bed of total project cost which is comparable to similar types of projects in the state. Furthermore, project costs are reasonable and inline with our past experience. Thus, quality nursing services and the continuum of care will be expanded in the local area cost effectively.

Following is information obtained from HSDA regarding the construction ranges for nursing home CONs approved between 2010 and 2012.

Nursing Home Construction Cost Per Square Foot Years: 2010 – 2012

	Renovated	New	Total
	Construction	Construction	Construction
1st Quartile	\$19.30/sq ft	\$164.57/sq ft	\$73.23/sq ft
Median	\$35.76/sq ft	\$167.31/sq ft	\$164.57/sq ft
3rd Quartile	\$55.00/sq ft	\$181.72/sq ft	\$167.61/sq ft

Source : HSDA CON approved applications for years 2009 through 2011

6. Please provide the current and proposed charge schedules for the proposal. Discussing 28, 2013 adjustment to current charges that will result from the implementation of the proposab:25 am Additionally, describe the anticipated revenue from the proposed project and the impact on existing patient charges.

Patient Charge/Reimbursement	Year 1(6/2016) Proposed	Year 2(6/2017) Proposed
Private/Private Pay	\$265.06	\$276.99
Semi-Private/Private Pay	\$251.11	\$262.41
Semi Private - Companion	\$258.09	\$269.70
Medicare	\$496.26	\$506.18
Managed Care	\$448.62	\$457.59

The proposed CON project is for the relocation of a 60 beds approved by CON number CN1107-024A and the addition of 30 new beds for the construction of a new 90 bed nursing home CON to be called The Health Center of Hermitage. Consequently, there are no existing patient charges. Medicare RUG rates are inflated 2.0% annually. The anticipated revenue from the proposed project is sufficient to produce positive net operating income in year two of \$65,113.

8:25 am

9. Section C, Economic Feasibility, Item 6

There appears to be a typo in the narrative response to this item. It appears that the "300" should be "30".

Please see the attached revised page.

10. Section C, Economic Feasibility, Item 9

Please clarify if the anticipated Medicare revenue includes crossover claims reimbursed by TennCare. Medicare crossover payments are normally made by the Bureau of TennCare separately from the Managed Care Contractors. Medicare crossover claims are claims that have been submitted to the Bureau of TennCare for Medicare cost sharing payments after the claim has been adjudicated by Medicare and paid by Medicare and Medicare has determined the enrollee's liability.

Please note that the anticipated Medicare revenue does not include crossover claims reimbursed by TennCare.

Please see the attached additional support letters.

FERRELL HAILE, D.Ph. STATE SENATOR

SENATE DISTRICT 18

SUMNER, TROUSDALE, AND EASTERN PART OF DAVIDSON COUNTIES

VICE-CHAIRMAN OF GOVERNMENT OPERATIONS COMMITTEE

MEMBER OF FINANCE, WAYS & MEANS COMMITTEE

June 12, 2013



NASHVILLE

SUPPLEMENTAL-#1

LEGISLATIVE OFFICE 28, 2013
SUITE 10-A, LEGISLATIVE PLAZA 25 am
NASHVILLE, TENNESSEE 37243 25 am

PHONE: (615) 741.1999 E-MAIL: sen.ferrell.haile@capitol.tn.gov

Ms. Melanie Hill, Executive Director State of Tennessee Health Services and Development Agency 161 Rosa L. Parks Blvd, 3rd Floor Nashville, TN 37243

Haile

Dear Ms. Hill:

Please accept this letter as my support for NHC at The Health Center at Hermitage and its plans for the relocation of 60 beds and the addition of 30 beds for the construction of a new 90 bed skilled facility.

NHC is filing this CON based on the bed need projection for additional skilled beds in Davidson County. We need to meet the demands of our senior population with quality care and NHC is a great resource.

NHC is to be commended for their care and for their future commitment of creating more housing to meet the aging senior's needs. I wish NHC well in the fulfillment of its mission of care for the elderly.

Sincerely,

Ferrell Haile

FH/dg

Summit Medical Center

2013 JUN 28 API 8 30

TRIM STAR HEALTH SYSTEM...

May 20, 2013

Ms. Melanie Hill, Executive Director State of Tennessee Health Services and Development Agency 181 Rosa L. Parks Blvd., 3rd Floor Nashville, TN 37243

Dear Ms. Hill:

This letter expresses my support for NHC at The Health Center at Hermitage's CON application for the relocation of 60 beds and the addition of 30 beds for a new 90 bed skilled facility. NHC is filing its CON based on Davidson County's projected skilled bed need. I am the CEO of Summit Medical Center in Davidson County and given my experience in the local market, I believe these additional skilled nursing beds will be needed to accommodate our county's growing aging population. Even today, skilled referrals can be difficult to place and often require patient delays in our acute care facilities.

Given NHC's excellent history, these residents will receive the highest quality of care. I ask you to favorably consider this proposal.

If you have any questions, please do not hesitate to call me.

Sincerely,

Chief Executive Officer

JTW/pp

2013 AFFIDAVITAM 8 30

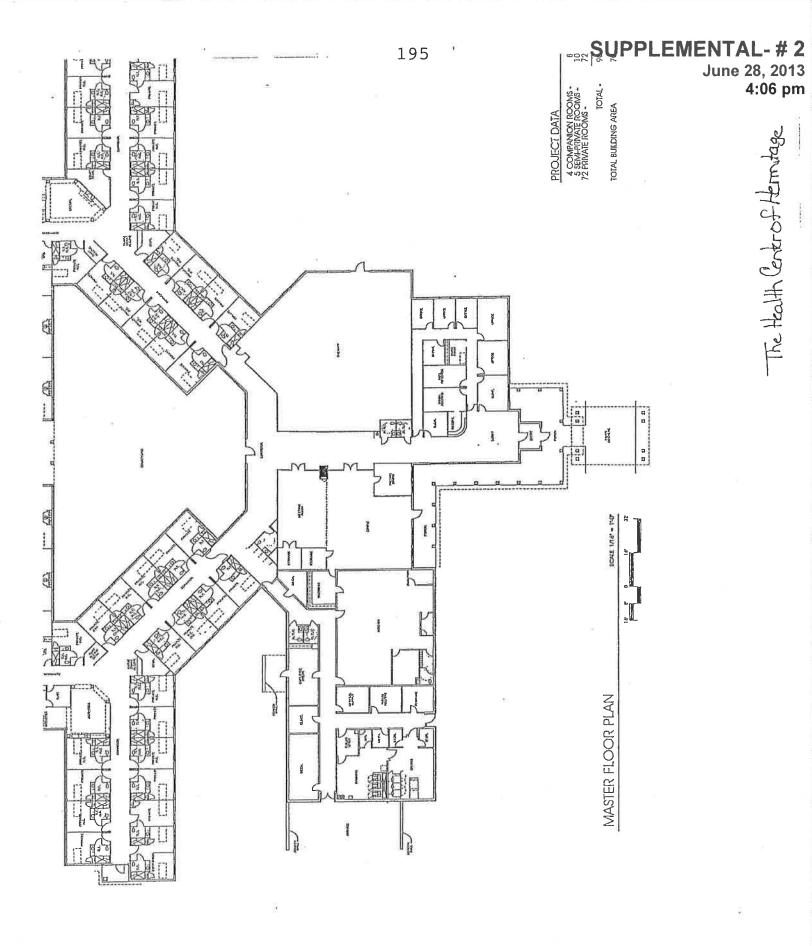
STATE OF TENNESSEE
COUNTY OF Rutherford
NAME OF FACILITY: The Health Center of Hermitage, LLC d/b/a The Health Center of Hermitage
I, <u>Bruce K. Duncan</u> , being first duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.
Assistant Vice President Signature/Title
Sworn to and subscribed before me, a Notary Public, this the27thday of _July, witness my hand at office in the County of _Rutherford, State of Tennessee.
Melinda a Vance
My commission expires \(\times \) 17 , \(\times \) 2014 \(\times \) Notary Public \(\times \)
Large Large
HF-0043
Pavised 7/02

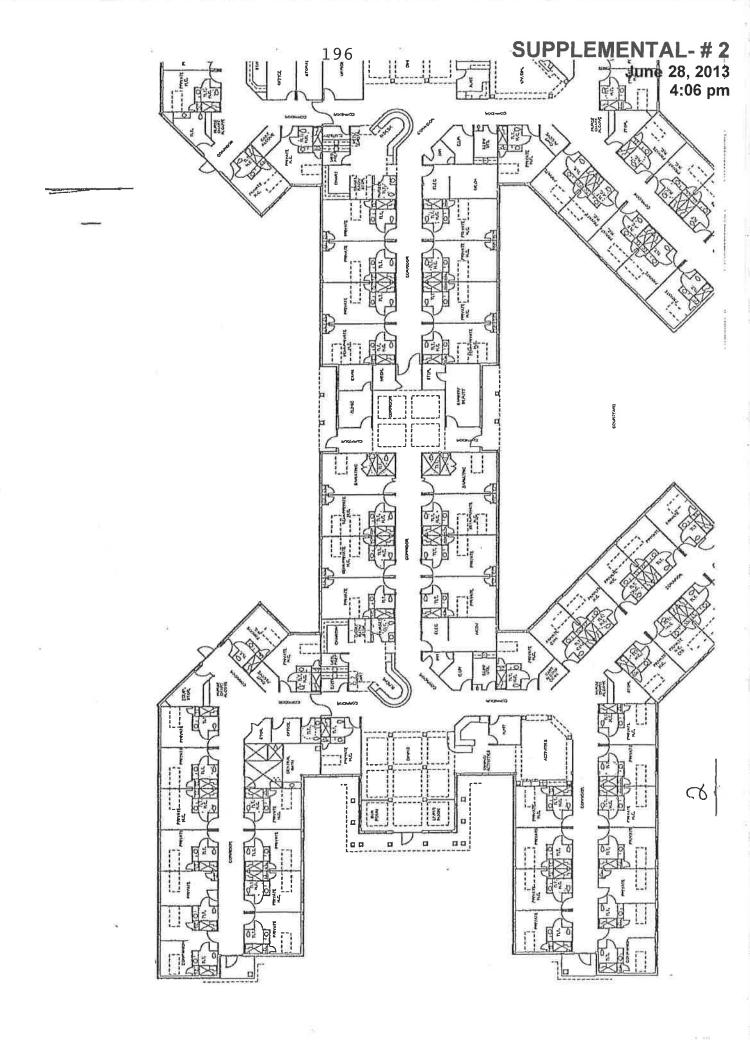
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Supplemental #2

The Health Center of Hermitage

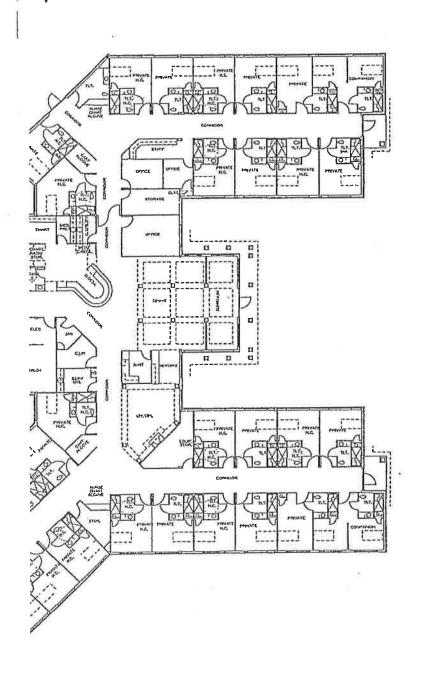
CN1306-022





June 28, 2013 4:06 pm

2013 JUN 28 PM 4 07





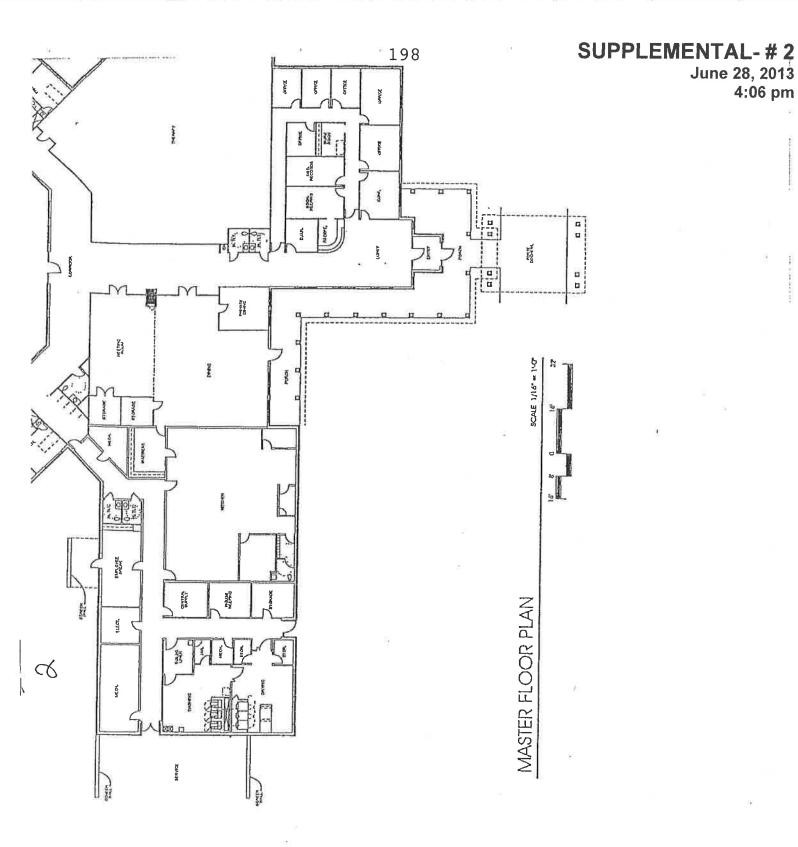
City Center 100 East Vine St. Murfreesboro Tennessee 37130

615 · 890 · 4560 Fax: 615 · 890 · 4564

The Health Center of Hermitage

Nashville, Tennessee

REVISION	DATE
	Trans-
NOTES:	



AFFIDAVIT

2013 JUN 28 PM 4 07

STATE OF TENNESSEE	
COUNTY OF Rutherford	
NAME OF FACILITY: The Health Center of Hermitage, Hermitage	LLC d/b/a The Health Center of
I, <u>Dan Elrod</u> , being first duly sworn, state under oath that I and in this Certificate of Need application or the lawful agent there supplemental information submitted herewith, and that it is true	of, that I have reviewed all of the
Signature/Title	
Sworn to and subscribed before me, a Notary Public, this the witness my hand at office in the County of Rutherford, State NOTARY F	27th day of July, 2013, of Tennessee. DUBLIC 27th day of July, 2013, 2
My commission expires $May 5^-$, 2015^-	
HF-0043	STATE STATE
Revised 7/02	TENNESSEE NOTARY PUBLIC
	My Commission Expires MAY 5, 2015

SUPPLEMENTAL-#2

June 28, 2013 4:06 pm

2013 JUN 28 PM 4 07

8. Section C, Economic Feasibility, Item 3

The Nursing Home Cost per Square Foot Chart has been recently updated to reflect Years 2010-2012. Please update your response accordingly.

Please see the attached table.

Please note that the project construction cost per square foot falls between the median and the third quartile range of the attached table.

June 28, 2013 4:06 pm

2013 JUN 28 PM 4 07

8. Section C, Economic Feasibility, Item 3

The Nursing Home Cost per Square Foot Chart has been recently updated to reflect Years 2010-2012. Please update your response accordingly.

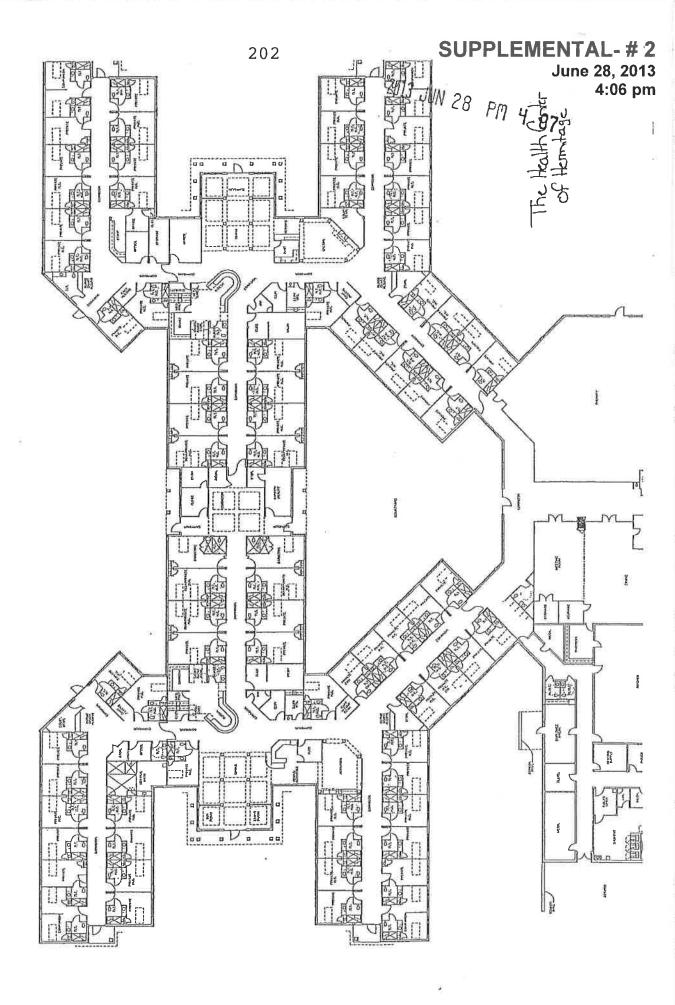
The proposed project is reasonable in relation to similar facilities in the state. The cost per bed is \$135,901, construction cost only or \$223,800 per bed of total project cost which is comparable to similar types of projects in the state. Furthermore, project costs are reasonable and inline with our past experience. Thus, quality nursing services and the continuum of care will be expanded in the local area cost effectively.

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3rd Quartile	\$55.00/sq ft	\$181.72/sq ft	\$167.61/sq ft

Source : HSDA CON approved applications for years 2009 through 2011





Abdul S. Enayat, M.D.

DIPLOMATE OF THE AMERICAN BOARD OF INTERNAL MEDICINE 5651 FRIST BLVD., SUITE 416 HERMITAGE, TN 37076

> TELEPHONE: (615) 346-6000 FAX: (615) 346-6043

September 12, 2013

Ms. Melanie Hill, Executive Director State of Tennessee Health Services and Development Agency 161 Rosa L. Parks Blvd, 3rd Floor Nashville, TN 37243

Dear Ms. Hill:

This letter expresses my support for NHC's Health Center of Hermitage CON application for a new 90 skilled bed facility. The Health Center of Hermitage is filing its CON based on Davidson County's projected skilled bed need. I am a physician practicing in Davidson County and given my experience in the local market, I believe these additional killed nursing beds will be needed to accommodate our county's growing aging population. Even today, skilled referrals can be difficult to place and often require patient delays in our acute care facilities.

Given NHC's excellent history, these residents will receive the highest quality of care. I ask you to favorable consider this proposal.

If you have any questions, please do not hesitate to call me.

Sincerely,

Abdul S. Enayat, M.D.

METROPOLITAN GOVERNMENT, OF NASHVILLE AND DAVIDSON COUNTY

11 22

One Public Square, Suite 204 Nashville, Tennessee 37201 Office: (615) 862-6780 Fax: (615) 862-6784

JOSH STITES
Councilman, District 13

605 Sycamore Ridge Circle Nashville, Tennessee 37214 Home: (615) 583-9271 Email: josh.stites@nashville.gov

July 24, 2013

Ms. Melanie Hill, Executive Director State of Tennessee Health Services and Development Agency 161 Rosa L. Parks Boulevard, 3rd Floor Nashville, TN 37243

Dear Ms. Hill:

Please accept this letter as my support for NHC's CON application for The Health Center at Hermitage and its plans for the relocation of 60 beds and the addition of 30 beds for the construction of a new 90 bed skilled facility.

NHC is filing this CON based on the bed need projection for additional skilled beds in Davidson County. We need to meet the demands of our senior population with quality care and NHC is a great resource.

NHC is to be commended for their care and for their future commitment of creating more housing to meet the aging senior's needs. I wish NHC well in the fulfillment of its mission of care for the elderly.

Sincerely,

Josh Stites

Councilman, District 13

JS/rh



June 27, 2013

Ms. Melanie Hill, Executive Director State of Tennessee Health Services and Development Agency 161 Rosa L. Parks Blvd. 3rd Floor Nashville, TN 37243

Dear Ms. Hill:

Due to the increase of persons in need in the congregation here at Hermitage United Methodist Church, I would like to request that NHC at The Health Center at Hermitage be granted the CON for the plan to relocate 60 beds and the addition of 30 beds for the construction of a new 90 bed skilled facility.

NHC is filing this CON based on the bed need projection for additional skilled beds in Davidson County. We need to meet the demands of our senior population with quality care and NHC is a great resource.

NHC is to be commended for their care and for their future commitment of creating more housing to meet the aging senior's needs. I wish NMHC well in the fulfillment of its mission of care for the elderly.

Sincerely,

Pastor Allen Black

Lead Pastor

Hermitage United Methodist Church

AB:tb

Sheila Butt State Representative

Assistant Chairman State Government Committee

106 War Memorial Building Nashville, TN 37243 Phone: (615) 741-3005



AM 10 02

64th District Office P.O. Box 1283 Columbia, TN 38402

Phone: (931) 698-5432 Fax: (615) 253-0365 rep.sheila.butt@capitol.tn.gov

State of Tennessee House of Representatives

July 15, 2013

Mrs. Melanie Hill, Executive Director Health Service and Development Agency 161 Rosa L. Parks Blvd, 3rd Floor Nashville, TN 37243

Dear Mrs. Hill:

The following letter is in regard to my enthusiastic support for NHC/Maury Regional Transitional Care Center to replace and relocate 112 nursing facility beds in Maury County. As a physician practicing in Maury County, I am aware of the great need for such a facility. As you know, a large percentage of the population in this county is comprised of the elderly. Such a facility would be an asset and would fulfill a need for the elderly and their families.

Thank you very much in advance for your attention and cooperation in this matter.

Sincerely,

State Representative Sheila Butt 64 District

SB:jw



60TH HOUSE DISTRICT DAVIDSON COUNTY

HOUSE CHAMBER STATE OF TENNESSEE

COMMITTEES:
HEALTH
HEALTH SUB
STATE GOVERNMENT

24 LEGISLATIVE PLAZA NASHVILLE, TN 37243-160 PHONE: (615) 741-6959 FAX: (615) 253-0331

DARREN JERNIGAN
REPRESENTATIVE
rep.darren.jernigan@capitol.tn.gov

4837 RAINER DRIVE OLD HICKORY, TN 37138 PHONE: (615) 847-1733

June 28, 2013

Ms. Melanie Hill, Executive Director TN Health Services & Development Agency 161 Rosa L. Parks Blvd. 3rd Floor Nashville, TN 37243

Dear Ms. Hill,

It has been brought to my attention that a 498 nursing home bed need will exist by 2015 in Davidson County for additional skilled beds. I also know first hand that skilled Medicare beds can often be difficult to find when needed in the community. NHC is responding to this need by requesting CON approval for the relocation of 60 beds and the addition of 30 beds for a new 90 bed skilled facility.

We need to meet the demands of our senior population with quality care and NHC is a great resource. They are to be commended for their care and future commitment of creating more housing to meet the aging senior's needs. I urge you to approve NHC's request to construct a 90 skilled bed nursing facility to service the residents of Davidson County.

Sincerely,

Darren Jernigan

DJ/pjm



2013 JUL 19 AM 10 24

MEMBER OF COMMITTEES

Calendar & Rules

Government Operations

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State & Local

SUB-COMMITTEES

State & Local

Health

MIKE TURNER STATE REPRESENTATIVE

1408 HADLEY AVENUE OLD HICKORY, TENNESSEE 37138 (615) 847-0002

17 LEGISLATIVE PLAZA NASHVILLE, TENNESSEE 37243-0151 (615) 741-3229

House of Representatives State of Tennessee

NASHVILLE

Office of Democratic Caucus Chair

July 16, 2013

Ms. Melanie Hills, Executive Director State of Tennessee Health Services and Development Agency 161 Rosa L. Parks Blvd. 3rd Floor Nashville, TN 37243

Dear Ms. Hill;

It has been brought to my attention that a 498 nursing home bed need will exist by 2015 in Davidson County. I know first hand that skilled Medicare beds can often be difficult to find when needed in the community. NHC is responding to this need by requesting CON approval for the relocation of 60 beds and the addition of 30 beds for a new skilled nursing home facility.

I urge you to approve NHC's request to construct a 90 skilled bed nursing facility to service the residents of Davidson County.

Sincerely,

Mike Turner

CERTIFICATE OF NEED REVIEWED BY THE DEPARTMENT OF HEALTH DIVISION OF HEALTH STATISTICS

615-741-1954

DATE:

August 1, 2013

APPLICANT:

The Health Center of Hermitage

Unaddressed site at Bell Road and Woodland Point Drive

Nashville, Tennessee

CON#:

1306-022

CONTACT PERSON:

Bruce K. Duncan, Assistant Vice President

National Healthcare Corporation

100 Vine Street

Murfreesboro, Tennessee 37130

COST:

\$20,142,000

In accordance with Section 68-11-1608(a) of the Tennessee Health Services and Planning Act of 2002, the Tennessee Department of Health, Division of Policy, Planning, and Assessment , reviewed this certificate of need application for financial impact, TennCare participation, compliance with *Tennessee's Health: State Health Plan*, and verified certain data. Additional clarification or comment relative to the application is provided, as applicable, under the heading "Note to Agency Members."

SUMMARY:

The applicant, The Health Center of Hermitage, LLC, to be located in Nashville (Davidson County) Tennessee, seeks Certificate of Need (CON) approval for the relocation of 60 of 150 beds authorized by CN1107-24A and the addition of 30 new skilled nursing home beds for a total of 90 beds to be constructed and called The Health Center of Hermitage. The Health Center of Hermitage will be certified for Medicare participation.

The facility will be located along Bell Road approximately 2 miles south of its intersection with I-40. The undeveloped property does not currently have an address. Its location is on the west side of Bell Road approximately 436 yards south of Woodland Drive and 600 yards north of Couchville Pike. The site is 13 acres with 650 feet of frontage.

The center will have ancillary patient areas for center operations such as kitchen, therapy suite for physical therapy, speech and occupational therapies, laundry and administrative offices. The facility will have 72 private rooms, 4 companion/private rooms with shared baths, and 5 semi-private rooms. In addition, activity rooms, dining rooms, and a central bathing area will be constructed.

The proposed new facility will be a single story, 70,054 square foot structure designed to meet all current Life Safety Codes. The cost of construction is estimated to be \$12,231,104 or \$172.14 per square feet. HSDA's Nursing Home Construction Cost per Square Foot from 2010-2012 ranged from \$164.57 to \$181.72.

The Health Center of Hermitage, LLC has one member, NHC/OP, L.P. NHC/OP, L.P. owns 100% of The Health Center of Hermitage, LLC NHC/OP, L.P. also owns 100% in other nursing facilities in various states. The applicant provides information regarding ownership in Attachment Section A, Applicant Profile - 4 Type of Ownership or Control.

The total estimated project cost is \$20,142,000 and will be funded through cash reserves as indicated in a letter from the Senior Vice President and Controller of NHC in Section C-Economic Feasibility-2.

GENERAL CRITERIA FOR CERTIFICATE OF NEED

The applicant responded to all of the general criteria for Certificate of Need as set forth in the document *Tennessee's Health: State Health Plan*.

NEED:

The applicant's designated service area and service area utilization are located in the charts below.

Service Area Total Population Projections for 2013 and 2015

County	2013 Population	2015 Population	% Increase/ (Decrease)
Davidson	649,507	663,151	2.1%

Source: Tennessee Population Projections 2000-2020, February 2013 Revision, Tennessee Department of Health, Division of Policy, Planning and Assessment

Service Area Age 65 and Older for 2013 and 2015

121	2013 Population	2015 Population	% Increase/ (Decrease)
Davidson	71,951	77,086	7.1%

Source: Tennessee Population Projections 2000-2020, February 2013 Revision, Tennessee Department of Health, Division of Policy, Planning and Assessment

Davidson County Nursing Home Utilization 2011

Nursing Home	Licensed Beds	SNF Beds- Medicare	SNF/NF Beds-Dually Certified	NF Beds- Medicaid	SNF (Medicare /Level II ADC	NF-ADC (Medicaid/ Level I Only)	NF- ADC	Licensed Occupancy
Belcourt Terrace	49	0	49	0	6	0	35	86%
Crestview Health	111	0	32	79	8	66	68	74%
Kindred Nursing and Rehabilitation	102	0	102	0	14	0	67	90%
Imperial Gardens Health and Rehabilitation	165	0	87	78	27	67	79	69%
McKendree Village	150	0	150	0	25	0	103	88.%
The Health Center at Richland Place	107	60	0	0	20	0	47	99%
Trevecca Health Care Center	240	0	120	120	29	19	164	88%
Vanco Manor Nursing and Rehabilitation Center	90	0	90	0	26	52	60	96%
Donelson Place Care and Rehabilitation	124	0	124	0	21	1	75	81%
Bethany Health and Rehab Center	180	0	90	90	33	22	116	93%
Good Samaritan Health and Rehab Center	110	0	30	80	14	0	78	86%
Cumberland Manor	124	0	124	0	13	101	105	95%
West Meade Place	120	- 0	60	60	38	0	56	80%
Bordeaux Long Term Care	419	0	240	179	21	255	277	84%
Jackson Park Christian Home, Inc.	28	0	0	0	0	0	24	84%
Grace Healthcare of Whites Creek	127	0	127	0	17	82	102	94%
Lakeshore Heartland	66	0	0	66	0	38	49	75%
The Meadows	113	10	0	0	0	0	114	100%
Green Hills Health and Rehabilitation Center	150	0	150	0	30	11	97	84%
Woodcrest at Blakeford	83	83	0	0	25	0	54	95%

Life Care Center of Hickory	124	0	124	0	12	0	0	1%
Woods								
								**88%

Source: Joint Annual Report of Nursing Homes 2011, Tennessee Department of Health, Division of Policy, Planning and Assessment Life Care of Hickory Village was licensed on 10/25/11 and JAR data was available only for 2 months.

Licensed Beds -Total beds in a nursing home licensed by the Tennessee Department of Health.

- SNF Beds, Medicare Skilled Nursing or TennCare/Level II beds where the payor source is either Medicare or Skilled Medicaid.
- SNF/NF Beds, Dually Certified-Medicare Skilled Nursing or TennCare/Level II and Intermediate Care or TennCare/Level I beds where the payor source is either Medicare or Medicaid
- NF Beds-Medicaid-Intermediate Care or TennCare/Level I beds where the payor source is Medicaid.
- Licensed Only Beds Non Certified-Skilled Nursing and Intermediate Care beds. Payor source is private pay.
- SNF Medicare/Level II ADC-Average Daily Census for skilled patients whose payor source is Medicare. Average Daily Census is calculated by taking Medicare skilled/Level II patient days and dividing it by the number of days in a year (365) resulting in an average daily census.
- SNF Medicare/Level II ADC-Average Daily Census for skilled patients whose payor source is Medicare. Average Daily Census is calculated by taking Medicare skilled/Level II patient days and dividing it by the number of days in a year (365) resulting in an average daily census.

NF-ADC-Average Daily Census for Level I/Intermediate Care patients.

Facility Occupancy Rate for the total nursing home facility. Occupancy Rate is calculated by taking total patient days and dividing it by the number of beds available in a year.

Source: The definitions and presentation are done in accordance with Health Services and Development Agency Members and Staff requirements, October 2006.

According to the *Joint Annual Report of Nursing Homes, 2011,* there are 3,025 nursing home beds in Davidson County. Applying the need formula from the Specific Criteria for Nursing Home Services, the Division of Policy, Planning, and Assessment, subtracted the existing and approved nursing home beds from the projected need and determined there is a need for 373 beds.

**Note to Agency Members: Imperial Gardens entered into inactive status in May of 2013. Additionally, Life Care Center of Hickory Woods, 124 beds, was licensed on 10/25/11 and only reported to the JAR two months of utilization as a result. Life Care Center of Old Hickory Village, 124 beds was not open in 2011. McKendree Village has 30 approved but unimplemented beds, and NHC has 150 approved but unimplemented beds. These beds were not included in the overall average occupancy for the 2011 service area.

The applicant intends to relocate 60 beds from the existing CN1107-024A 150 beds currently located at the intersection of Highway 100 and Pasquo Road in Bellevue, Tennessee, to Bell Road approximately 2 miles south of its intersection with I-40, and the addition of 30 new beds for a total of 90 beds. The undeveloped property does not currently have an address. This project will be part of a master planned residential and commercial development that is designed to accentuate the character of the Natchez Trace area.

The applicant based their decision to relocate to the new location based on the lack of nursing

home beds in the Hermitage area of Davidson County and the ability to address specific needs of a different acute care system in a different area of Davidson County.

In July of 2012 TriStar Health and National Healthcare Corporation (NHC), announced an alliance that aims to provide patients across Middle Tennessee with a continually higher level of care as they transition from hospital to recovery. The targeted populations for this facility are individuals in other community settings who need services devoted to rehabilitation and short-term stays in a healthcare center and persons who can no longer be maintained or cared for in their current setting and need 24-hour care for chronic and/or debilitating conditions of a long-term nature.

The two entities believe that enhancing the quality of care provided to patients and facilitating the transition of patients between care settings will reduce the number of discharged patients who are readmitted to hospitals, especially those readmitted within 30 days of discharge. The two organizations will work together to devise new practices and protocols to streamline the discharge process and to help post-acute facilities like skilled nursing facilities and home healthcare workers to more effectively manage and treat conditions. NHC employees will educate TriStar staff on post-acute care eligibility requirements while TriStar will educate NHC caregivers on hospital discharge procedures. Clinical and quality measurements will be developed to assess the alliance's success and patient choice will be honored in every case.

The Health Center of Hermitage will provide services to persons with decubiti ulcers, feeding tubes, catheters, tracheotomies, medical problems requiring IV's, or other persons requiring sub-acute care. It will be the policy of the facility to make available heavy skilled nursing services to patients requiring such services. This project will offer sub-acute services with expertise and knowledge efficiently and effectively. The Health Center of Hermitage will be able to offer sub-acute patients with its increased staffing. If demand for "heavy skilled" or "sub-acute" care beds is greater than expected, additional staff is added to the staffing pattern.

NHC believes the relocation of 60 beds and the addition of 30 new SNF beds will help local residents in need of long term care services to find them and promotes orderly development of the existing health care system in that it relocates existing approved beds to an area of need without adding as many new beds to the service area.

TENNCARE/MEDICARE ACCESS:

The applicant will be certified by and participate in only Medicare. The Health Center of Hermitage projects Medicare revenues of \$1,266,251 or 38% of total gross revenues. Medicare Part B revenues are projected to be 44,264 or 1.3% of total gross revenues.

ECONOMIC FACTORS/FINANCIAL FEASIBILITY:

The Department of Health, Division of Policy, Planning, and Assessment has reviewed the Project Costs Chart, the Historical Data Chart, and the Projected Data Chart to determine they are mathematically accurate and the projections are based on the applicant's anticipated level of utilization. The location of these charts may be found in the following specific locations in the Certificate of Need Application or the Supplemental material:

Project Costs Chart: The Project Costs Chart is located in the application on page 77. The total project cost is \$20,142,000.

Historical Data Chart: There is no Historical Data Chart due to this being a new proposed facility.

Projected Data Chart: The Projected Data Chart is located in the application on page 95. The applicant projects 8,749 and 25,829 patient days in years one and two, respectively.

The total net operating revenue in year one is projected to be (\$2,098,542) and \$65,113 in year two of the project.

The applicant's average gross charge in year one is projected to be \$536.41, with an average deduction of \$155.65, resulting in an average gross charge of \$380.76. In year two, the average gross charge is projected to be \$585.54, with an average deduction of \$166.28, resulting in an average net charge of \$406.55.

The applicant considered constructing all 150 beds from the Bellevue site but concluded that would not address the need for an additional center and bed options for eastern Davidson County. In discussions with several acute care hospital providers regarding how to best meet their hospital system's needs, it was determined that by moving some of the approved beds to the eastside of Davidson County to be within the service area of these large hospital campuses, it would make available the services NHC is proposing to a broader number of patients across the city.

The building of more or less than 30 beds was also considered but rejected because the projected growth in the service area and need for skilled beds required additional beds be constructed.

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTHCARE:

The Health Center of Hermitage will have transfer agreements between all relevant health care providers in the community and provides a listing of these on page 40 of the application.

Contractual relationships will made with a medical director, dietary consultant, physical therapist, medical record consultant, and therapists for treatments such as oxygen therapy. A licensed pharmacist will be a member of the pharmacy committee, and a local pharmacy will be awarded a contract to supply medications for the patients Contractual relationships are established with local dentists, optometrists, gerontologists and other specialists physicians to meet the needs of the patients.

The applicant provides linkages with other Davidson County providers such as home health agencies, hospice, meals on wheels, etc. on pages 42 and 43 of the application.

This project will serve as a needed relocation of services to residents of Davidson County and will not have negative effects on the health care system by duplication or competition because 60 of the 90 beds are replacement beds and only 30 beds requested are supported by the State's bed need formula for Davidson County.

The projected staffing pattern for this project includes 10.4 FTE registered nurses, 5.6 FTE licensed practical nurses, and 32.2 FTE aides and orderlies.

The applicant has established relationships with Middle Tennessee State University, Tennessee State University, Vanderbilt University, Belmont University, University of Tennessee, Aquinas College, Fisk University, Nashville Area Technical Community College, CNT School, Nashville Area Technical School, and Tennessee State Vocational College.

The Health Center of Hermitage intends to be licensed by the Tennessee Department of Health, Board for Licensing Healthcare Facilities.

SPECIFIC CRITERIA FOR CERTIFICATE OF NEED

The applicant responded to all relevant specific criteria for Certificate of Need as set forth in the document *Tennessee's Health: State Health Plan*.

CONSTRUCTION, RENOVATION, EXPANSION, AND REPLACEMENT OF HEALTH CARE INSTITUTIONS

1. Any project that includes the addition of beds, services, or medical equipment will be reviewed under the standards for those specific activities.

This project requests both the relocation of 60 beds of 150 beds granted under CN1107-24A and the addition of 30 new SNF beds for a total of 90 beds.

- 2. For relocation or replacement of an existing licensed health care institution:
 - a. The applicant should provide plans which include costs for both renovation and relocation, demonstrating the strengths and weaknesses of each alternative.

This criterion is not applicable. This project is for the relocation of 60 of the 150 nursing home beds granted by CN1107-024A and the addition of 30 SNF beds for a total of 90 beds.

b. The applicant should demonstrate that there is an acceptable existing or projected future demand for the proposed project.

The facility is projected to open in 2016. If present legislation remains in place, as it has over the last several years, no new nursing homes will be constructed in Tennessee outside of the 125 bed pool or replacement of existing facilities. Population projections for Davidson County show the continued growth of the age groups who use long term care services. In addition, referral sources who seek admission to long term care centers for their patients can and have attested to the fact that the Health Care Center of Hermitage is needed to continue an adequate level and balance of continuity of care in Davidson County.

- 2. For renovation or expansions of an existing licensed health care institution:
 - a. The applicant should demonstrate that there is an acceptable existing demand for the proposed project.
 - b. The applicant should demonstrate that the existing physical plant's condition warrants major renovation or expansion.

The above criteria are not applicable for this project.

NURSING HOME SERVICES

Public Chapter No. 1112, Senate Bill No. 2463, which passed during the 1998 legislative session, amended and changed the code sections establishing the bed need formula that the Health Facilities Commission must follow when granting certificates of need for nursing home beds in Tennessee. During a fiscal year (July 1-June 30), the Commission shall issue no more than the designated number of Medicare skilled nursing facility beds for applicants filing for a certificate of need. The number of Medicare skilled nursing facility beds issued shall not exceed the allocated number of beds for each applicant. The applicant must also specify in the application the skilled services to be provided and how the applicant intends to provide such services.

A. Need

1. According to TCA 68-11-108, the need for nursing home beds shall be determined by applying the following population-based statistical methodology:

County bed need = .0005 x pop. 65 and under, plus .0120 x pop. 65-74, plus .0600 x pop. 75-84, plus .1500 x pop. 85, plus

The Division of Policy, Planning, and Assessment calculated a need for 373 beds.

2. The need for nursing home beds shall be projected two years into the future from the current year, as calculated by the Department of Health.

The Division of Policy, Planning, and Assessment calculated a need for 373 beds.

3. The source of the current supply and utilization of licensed and CON approved nursing home beds shall be the inventory of nursing home beds maintained by the Department of Health.

The current supply and utilization is from the Joint Annual Report of Nursing Homes, 2011.

4. "Service Area" shall mean the county or counties represented on an application as the reasonable area to which a health care institution intends to provide services and/or in which the majority of its service recipients reside. A majority of the population of a service area for any nursing home should reside within 30 minutes travel time from that facility.

The majority of the population in the service area is thin 30 minutes of travel time of the proposed facility.

- 5. The Health Facilities Commission may consider approving new nursing home beds in excess of the need standard for a service area, but the following criteria must be considered:
 - a. All outstanding CON projects in the proposed service area resulting in a net increase in beds are licensed and in operation, and

Other than the applicant, currently one project is outstanding in Davidson County, an addition of 30 beds by Mckendree Manor.

b. All nursing homes that serve the same service area population as the applicant have an annualized occupancy in excess of 90%.

Davidson County Nursing Home Utilization 2011

Nursing Home	Licensed Beds	SNF Beds- Medicare	SNF/NF Beds-Dually Certified	NF Beds- Medicaid	SNF (Medicare /Level II ADC	NF-ADC (Medicaid/ Level I Only)	NF- ADC	Licensed Occupancy
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Imperial Gardens Health and Rehabilitation	165	0	87	78	27	67	79	69%

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The Meadows	113	10	0	0	0	0	114	100%
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The Health Center at Richland Place	107	60	0	0	20	0	47	99%
McKendree Village	150	0	150	0	25	0	103	88.%

Source: Joint Annual Report of Nursing Homes 2011, Tennessee Department of Health, Division of Policy, Planning and Assessment Life Care of Hickory Village was licensed on 10/25/11 and JAR data was available only for 2 months.

Not all of the nursing homes in Davidson County had an occupancy of 90%.

B. Occupancy and Size Standards:

1. A nursing home should maintain an average annual occupancy rate for all licensed beds of at least 90 percent after two years of operation.

This project proposes to have at least 90% annual occupancy after two years of operation.

2. There shall be no additional nursing home beds approved for a service area unless each existing facility with 50 beds or more has achieved an average annual occupancy rate of 95 percent. The circumstances of any nursing home, which has been identified by the Regional Administrator, as consistently noncomplying with quality assurance regulations shall be considered in determining the service areas, average occupancy rate.

The applicant contends that patients, families, and doctors are selecting facilities based on quality of care and lessor numbers of deficiencies.

3. A nursing home seeking approval to expand its bed capacity must have maintained an occupancy rate of 95 percent for the previous year.

Not applicable.

4. A free-standing nursing home shall have a capacity of at least 30 beds in order to be approved. The Health Facilities Commission may make an exception to this standard. A facility of less than 30 beds may be located in a sparsely populated rural area where the population is not sufficient to justify a larger facility. Also, a

project may be limited number	e developed in or of beds are need	conjunction weded for the re	ith a retirements	ent center v at retirement	where only a center.
Not applicable.					
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September 18, 2013

Mrs. Melanie Hill, Executive Director State of Tennessee Health Services and Development Agency 161 Rosa L. Parks Boulevard, 3rd Floor Nashville, TN 37243

Dear Mrs. Hill:

This letter is written to express my support for NHC's Health Center of Hermitage, CON application for a new 90 skilled bed facility. This Health Center of Hermitage is filing its CON based on Davidson County's projected skilled bed need. I am an internal medicine geriatric physician that has practiced in Davidson County for the last 30 years and in working with the local market, I believe these additional skilled nursing beds will be needed to accommodate our county's growing aging population. Still today, skilled referrals can be difficult to place and often require patient delays in our acute care facilities.

Sincerely,

Richard W. Garman, M.D.

RWG:gd

Job: 0918-DT: 09.19.2013 T: Cardiology Disease Rebecca Hung, M.D.

Andrew R. Sager, M.D. Todd G. Tolbert, M.D.

Family Medicine

Viola Chen, M.D. Wm Daniel Halford, M.D. Rachel Mehr, M.D. Michael R. Miller, D.O. Aparna Murti, M.D. A. Jamie Slandzicki, M.D.

Gastroenterology
Mark A. Miller, M.D.
Neil M. Price, M.D.

Neurology

Richard T. Hoos, M.D. Manju Kandula, M.D. Allegra Patten, M.D.

Internal Medicine

Patricia A. Arns, M.D. Renata Bluhm, M.D. Parminder Bolina, M.D. G. William Bounds, III, M.D. Thomas E. Brittingham, M.D. J. Jeremy Burns, M.D. Bryce W. Dixon, M.D. Leslie Douglas-Churchwell, M.D. Robert L. Forti, M.D., Ph.D. Richard W. Garman, Jr., M.D. John R. Gibson, M.D. Shawnda E. Hollie, M.D. Bruce Hollinger, M.D. Stephen D. May, M.D. Eric Myers, M.D. Julie L. Owens, M.D. Leah C. Patton, M.D. Bruce E. Richards, M.D. Craig D. Rutland, M.D. Richard S. Smith, M.D. Margaret M. Stolz, M.D. A. Lee Tucker, Jr., M.D. Michelle G. Wall, M.D. John A. Williams, M.D.

Pulmonary/Sleep/Acute Care Stephen J. Heyman, M.D.

Sleep Medicine
J. Michael Bolds, M.D.

Endocrinology
Swaroopa V. Bartakke, M.D.

Physician Assistants
Daniela Cullen, N.P.
Joyce C. Eyler, P.A.-C
Kenneth Tanner, Jr., P.A.-C

Administrator Gregory A. Winston

DOUGLAS HENRY SENATOR

21st SENATORIAL DISTRICT OF DAVIDSON COUNTY

PRIVATE OFFICE:

200 CAPITOL BOULEVARD BUILDING NASHVILLE, TN 37219-1889 (615) 244-6931 FAX (615) 255-1995

LEGISLATIVE OFFICE:

321 WAR MEMORIAL BUILDING NASHVILLE, TENNESSEE 37243-0021 PHONE: (615) 741-3291 FAX:

E-MAIL ADDRESS: sen.douglas.henry@capitol.tn.gov



Senate Chamber 08 State of Tennessee

NASHVILLE

Chairman Emeritus COMMITTEE ON FINANCE, WAYS AND MEANS

MEMBER OF COMMITTEES

FISCAL REVIEW COMMITTEE
GENERAL WELFARE AND
HUMAN RESOURCES
RULES COMMITTEE

MEMBER:
TENNESSEE STATE MUSEUM
FOUNDATION BOARD
MEMBER
TENNESEE STATE MUSEUM
COMMISSION
COUNCIL ON PENSIONS AND
INSURANCE

TENNESSEE COMMISSION ON INTERGOVERNMENTAL RELATIONS

June 12, 2013

Ms. Melanie Hill, Executive Director State of Tennessee Health Services and Development Agency 161 Rosa L. Parks Blvd, 3rd Floor Nashville, TN 37243

Dear Ms. Hill:

It has been brought to my attention that a 498 nursing home bed need will exist by 2015 in Davidson County for additional skilled beds. I am told that skilled Medicare beds can often be difficult to find when needed in the community. NHC is responding to this need by requesting CON approval for the relocation of 60 beds and the addition of 30 beds for a new 90 bed skilled facility.

I urge you to approve NHC's request to construct a 90 skilled bed nursing facility to service the residents of Davidson County.

Sincerely,

Douglas Henry



THELMA M, HARPER SENATOR 19TH SENATORIAL DISTRICT

Senate Chambers 12 an 1900 particles: GOVERNMENT OPERATIONS

State of Tennessee

STATE AND LOCAL GOVERNMENT

TRANSPORTATION & SAFETY

NASHVILLE

TENNESSEE BLACK CAUCUS OF STATE LEGISLATORS

Ms. Melanie Hill, Executive Director State of Tennessee Health Services and Development Agency 161 Rosa L. Parks Blvd, 3rd Floor Nashville, TN 37243

Dear Ms. Hill:

This letter is written in support of the National Healthcare Corporation's request to construct a 90 skilled bed nursing facility in Davidson County.

It has been brought to my attention that a 498 nursing home bed need will exist by 2015 in Davidson County for additional skilled beds. I am also aware that skilled Medicare beds can often be difficult to find when needed in the community. NHC is responding to this need by requesting CON approval for the relocation of 60 beds and the addition of 30 beds for a new 90 bed skilled facility.

In conclusion, I urge the State of Tennessee to give full consideration to the National Healthcare Corporation's request for construction of an additional nursing facility in Davidson County.

Sincerely,

Tolma Baspe Thelma M. Harper

State Senator

19th Senatorial District



State of Tennessee Health Services and Development Agency

Frost Building, 3rd Floor, 161 Rosa L. Parks Boulevard, Nashville, TN 37243 www.tn.gov/hsda Phone: 615-741-2364/Fax: 615-741-9884

July 1, 2013

Bruce K. Duncan, Assistant Vice President National HealthCare Corporation 100 Vine Street, 12th Floor Murfreesboro TN 37130

RE: Certificate of Need Application -- The Health Center of Hermitage - CN1306-022

Dear Mr. Duncan:

This is to acknowledge the receipt of supplemental information to your application for a Certificate of Need for the relocation of 60 of the 150 nursing home beds approved but unimplemented from CN1107-024A and the addition of 30 new Medicare-certified skilled nursing home beds for a total 90 Medicare-certified skilled bed nursing home. Estimated Project Cost is \$20,142,000.

Please be advised that your application is now considered to be complete by this office. Your application is being forwarded to the Tennessee Department of Health and/or its representative for review.

In accordance with Tennessee Code Annotated, §68-11-1601, et seq., as amended by Public Chapter 780, the 60-day review cycle for this project will begin on July 1, 2013. The first sixty (60) days of the cycle are assigned to the Department of Health, during which time a public hearing may be held on your application. You will be contacted by a representative from this Agency to establish the date, time and place of the hearing should one be requested. At the end of the sixty (60) day period, a written report from the Department of Health or its representative will be forwarded to this office for Agency review within the thirty (30)-day period immediately following. You will receive a copy of their findings. The Health Services and Development Agency will review your application on September 25, 2013.

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. § 68-11-1607(d):

- (1) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.
- (2) All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Should you have questions or require additional information, please contact me.

Meland M. Hill/MF

Melanie M. Hill Executive Director

MMH:mab

cc: Dan Henderson, Director, Division of Health Statistics



State of Tennessee Health Services and Development Agency

Frost Building, 3rd Floor, 161 Rosa L. Parks Boulevard, Nashville, TN 37243 www.tn.gov/hsda Phone: 615-741-2364/Fax: 615-741-9884

MEMORANDUM

TO:

Dan Henderson, Director

Office of Policy, Planning and Assessment

Division of Health Statistics Cordell Hull Building, 6th Floor

425 Fifth Avenue North Nashville, Tennessee 37247

FROM:

Melanie M. Hill MMH/MF

Executive Director

DATE:

July 1, 2013

RE:

Certificate of Need Application

The Health Center of Hermitage - CN1306-022

Please find enclosed an application for a Certificate of Need for the above-referenced project.

This application has undergone initial review by this office and has been deemed complete. It is being forwarded to your agency for a sixty (60) day review period to begin on July 1, 2013 and end on September 1, 2013.

Should there be any questions regarding this application or the review cycle, please contact this office.

MMH:mab

Enclosure

Bruce K. Duncan, Assistant Vice President cc:

GENERAL COUNSEL'S REPORT SEPTEMBER 25, 2013

B. The Health Center of Nashville, Nashville (Davidson County), TN - CN1107-024AM

Request for an eighteen (18) month extension of the expiration date from November 1, 2014 to May 1, 2016 and upon approval of CN1306-022, for project modifications of CN1107-024A by the following: 1) reduction of the 150 approved beds to 90 beds (all to be private rooms not 38 private, 41 companion suites and 15 semi-private); 2) decrease the project cost by \$2,381,950 from \$23,894,100 to \$21,512,150; 3) increase the therapy gym to support the post-acute rehabilitation services by 2,500 SF from 2,300 SF to 4,800 SF; and 4) to include 3,400 SF of shelled space for potential future growth.

TCA 68-11-1628 permitted the relocation of 150 of the 300 beds from McKendree Village in Hermitage (Davidson County). CN1002-007A was unanimously approved on May 26, 2010, for the relocation and construction of a 150 bed nursing home with those 150 beds from McKendree Village.

CN1107-024AM was unanimously approved on September 28, 2011 for the establishment of a 150 bed nursing home by relocating existing beds as approved by CN1002-007A to the intersection of Highway 100 and Pasquo Road in Nashville (Davidson County).

TCA 68-11-1631, enacted in 2012, would permit the relocation of 60 of the 150 beds authorized by CN1107-024A. CN1306-022 is pending to relocate 60 of the 150 beds authorized by CN1107-024A, and an additional 30 beds, to a facility to be constructed on Bell Road in Nashville (Davidson County), with an estimated project cost of \$23,894,100.

The Health Center of Nashville, Nashville (Davidson County), TN — CN1107-024AM requests the following:

- an eighteen (18) month extension of the expiration date from November 1, 2014 to May 1, 2016; and
- upon approval of CN1306-022 (to relocate 60 of the 150 beds authorized by CN1107-024A), for project modifications of CN1107-024A by 1) reduction of the 150 approved beds to 90 beds (all to be private rooms not 38 private, 41 companion suites and 15 semi-private); 2) decrease the project cost by \$2,381,950 from \$23,894,100 to \$21,512,150; 3) increase the therapy gym to support the post-acute rehabilitation services by 2,500 SF from 2,300 SF to 4,800 SF; and 4) to include 3,400 SF of shelled space for potential future growth.

August 30, 2013

VIA HAND DELIVERY

Jim Christoffersen, Esq. General Counsel Tennessee Health Services and Development Agency 161 Rosa L. Parks Boulevard, 3rd Floor Nashville, TN 37203

RE: The Health Center of Nashville, CN1107-024A

Dear Mr. Christoffersen:

The purpose of this letter is to request modification of the certificate of need ("CON") for the project referenced above.

Background

On September 28, 2011, the Agency approved CN1107-024 for the establishment of a 150 bed nursing home to be constructed in Nashville on an unaddressed site at the intersection of Highway 100 and Pasquo Road. The 150 nursing home beds addressed in the CON had their origin in a facility that qualified under T.C.A. § 68-11-1628, which authorized certain existing nursing home facilities to relocate a portion of their beds. In other words, the 150 nursing home beds in CN1107-024A are not new nursing home beds, but are a relocation of beds that previously existed in the market.

In 2012, the Tennessee General Assembly enacted legislation now codified at T.C.A. § 68-16-1631. This statute authorizes, among other things, the partial relocation of a portion of the beds in a facility that is authorized under an unimplemented CON that was issued on the basis of § 68-11-1628. In other words, § 68-16-1631 authorizes the issuance of a CON to relocate part of the 150 beds that are covered by CN1107-024A.

A CON application has been filed pursuant to § 68-16-1631 (CN1306-022) to relocate 60 of the 150 beds authorized under CN1107-024A to a facility to be constructed on Bell Road; this application also requests an additional 30 beds. The application was deemed complete in July and it is scheduled to be heard by the Agency at its meeting on September 25, 2013. If the Agency approves CN1306-022, the size and scope of CN1107-024A will change materially, thus this request for modification.

The Pinnacle at Symphony Place 150 3rd Avenue South, Suite 1600 Nashville, TN 37201 DAN H. ELROD 615.651.6702 dan.elrod@butlersnow.com T 615.651.6700 F 615.651.6701 www.butlersnow.com

Requested Modification

If the Agency approves CN1306-022, then we respectfully request that CN1107-024A be modified to reduce the size of the project to 90 beds rather than 150 beds and to reduce the estimated project cost from \$23,894,100 to \$21,512,150. The key features of the requested modification are as follows:

- The size of the facility will be reduced from 86,000 sq. ft. to 77,408 sq. ft.
- All of the 90 beds will be in private rooms; the current 150-bed project is based on 38 private rooms, 41 companion suites and 15 semi-private rooms.
- The therapy gym in the modified facility will increase in size to 4,800 sq. ft., compared to 2,300 sq. ft. in the current design. The increased size of the therapy gym is needed to support the focus of the facility on post-acute rehabilitation services.
- The modified facility will include 3,400 sq. ft. of shelled spaced for potential future growth.

In support of this request, we are enclosing attachments as follows: (1) new project cost chart for the 90 bed facility and architect's letter confirming the construction cost estimate; (2) a square footage chart for the 90 bed facility; and (3) projected data charts for the first two years following completion.

We also request that the expiration date for the CON be extended by eighteen (18) months from the current expiration date of November 1, 2014, to May 1, 2016. Substantial progress toward completion has been accomplished through purchase of the site (which was originally only under an option) and by obtaining zoning changes, commitments from utilities and an agreement with Metropolitan Nashville for off-site traffic improvements. Total investment toward completion of the project is approximately \$2,600,000, which includes property acquisition, architectural, engineer and legal fees.

Construction of the project has been delayed because of the desire to relocate 60 of the beds to another site. Facility plans cannot be submitted to the Department of Health until the relocation of 60 beds has been approved by the Agency and the scope of CN1107-024A has been modified accordingly. The requested extension will provide ample time to complete construction of the project.

In connection with the request for an extension, we are enclosing a filing fee of \$33,750.00, which is 75% of the original filing fee of \$45,000.

Jim Christoffersen, Esq. August 30, 2013 Page 3

We would appreciate this request being scheduled for consideration by the Agency at its meeting on September 25, 2013. Please let us know if you have any questions or need additional information.

Very truly yours,

BUTLER, SNOW, O'MARA, STEVENS & CANNADA, PLLC

Dan H. Elrod

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Attachments

cc: Bruce Duncan

Attachment 1

PROJECT COSTS CHART

Α.	Construction	and	equipment	acquired	hv	nurchase:
/ \.	Construction	anu	equipment	acquireu	N A	pulcilase.

Architectural and Engineering Fees		909 600
		808,600
Legal, Administrative, Consultant Fees		92,800
3. Acqusition of Site (Builiding, including estimated closing costs)	·	1,040,000
4. Preparation of Site		2,434,300
5. Construction Costs		13,647,000
6. Contingency Fund	-	678,500
7. Fixed Equipment (Not included in Construction Contract)	-	876,500
8. Moveable Equipment (List all equipment over \$50,000)		950,400
9. Other (Specify) Landscaping, pre-opening, impact fees		402,000
B. Acqusition by gift, donation or lease:		
1. Facility (Inclusive of building and land)		
2. Building Only		
3. Land Only		
4. Equipment (Specify)	,	
5. Other (Specify)		
C. Financing costs and Fees:		
1. Interim Financing		548,300
2. Underwriting Costs		
3. Reserve for One Year's Debt Service		
4. Other (Specify)		
D. Total Estimated Project Cost (A + B + C)		21,478,400
E. CON Filing Fee (Extension)	7	33,750.00
F. Total Estimated Project Cost (D + E)	\$	21,512,150

NHC Place at the Trace

Project Costs Charts Assumptions

Architectural/Engineering		
Architect	\$	644,800
Civil and Landscaping		51,700
Landscape Architect		6,900
Materials testing		55,000
Test & balance study		50,200
Total	\$	808,600
Fixed Equipment		
Kitchen, Laundry, Asst. Bathing, Signage & Miscellaneo	\$	876,500
	<u> </u>	
Other Costs		
Landscaping	\$	243,000
Impact Fees		78,000
Start up costs (pre-opening)		81,000
Total	\$	402,000

Johnson + Bailey Architects P.C.



August 28, 2013

Mr. Bruce Duncan National HealthCare Corporation 100 East Vine Street Murfreesboro, TN 37130

Re: The Place at the Trace

Dear Bruce:

Based upon a new construction total building area of 77,408 sq. ft., it is my opinion, based upon recently completed similar projects, that the total construction costs for the referenced project should be \$13,647,000 or approximately \$176.50 per sq. ft. exclusive of site development, equipment, and other soft costs.

The plans have been designed in compliance with the applicable building and life safety codes and to the requirements specified in the latest adopted edition of the Guidelines for the Design and Construction of Health Care Facilities.

Please advise if you require any additional information relative to construction costs for this project.

Sincerely,

JOHNSON + BAILEY ARCHITECTS P.C.

James H. Bailey III AIA

President

Attachment 2

SQUARE FOOTAGE AND COST PER SQUARE FOOTAGE CHART

\$13,647,000	\$176.30		8	77,408					STREET, STREET	F. Total GSF
73,091	\$145.60		2	502		の大学の変数	Total Provident	(t)	元公司公司	E. Maintenance
3,435,043	\$176,50		2	19,462						D. Circulation /Structure GSF
327,056	\$176.50		u I	1,853						C. Mechanical/ Electrical GSF
\$9,811,812	\$176.50			55,591						B. Unit/Depart. GSF Sub-Total
THE STATE OF THE PARTY OF THE P										
	The second second second									
		Sales of the State of								
	STATE	SEASON SON								
\$5,748,782	\$176.50	STREET, ST.	1	32,571						Patient Rms & Baths
\$43,243	\$176.50	NEW NAME OF	5	245						Public/Staff Toilets
\$97,075	\$176.50	OFFICE PROPERTY.	0	550						Sun Room
\$1,171,960	\$176.50		0	6,640						Dining/Rec
\$583,333	\$176.50		5	3,305						Nursing Support
\$883,912	\$176.50	ESTINGUES SOUND	8	5,008						PT/OT/Speech
\$51,891	\$176.50	MEST SUBSCIED	4	294						Beauty/Barber
60		NO. OF PERSONS								Classroom
\$34,418	\$176.50	The same of the same of	5	195						Housekeeping
\$112,607	\$176.50	STORING TOWNS	8	638						Storage/Central Supply
\$131,669	\$176.50	and transfer and the	6	746						Laundry
\$52,421	\$176.50	THE PASSESSED	17	297						Employee Break
\$266,162	\$176.50		8	1,508						Kitchen
\$634,341	\$176.50		4	3,594						Admin
		THE PERSON NAMED IN								
Total	New	Renovated	Total	∃ New	Renovated	Location	Location	SF	Location	
	Cost/ SF		inal age	Square Footage		Final	Temporary	Existing	Existing	A. Unit / Department
]			7		7				

Attachment 3

Give information for the two (2) years following completion of this proposal. The fiscal year begins in November (Month).

		Nov-16	N	ov-17
A. Utilization Data (Specify unit of mea	asure) (Patient Days) asure) (% Occupancy)	17,306 52.68%		31,211 95.01%
B. Revenue from Services to Patients				
 Inpatient Services Outpatient Services Emergency Services Other Operating Revenue (Special 	cify)	\$8,165,303	\$15	5,389,049
	Gross Operating Revenue	\$ 8,165,303	\$ 18	,389,049
C. Deductions for Operating Revenue				
 Contractual Adjustments Provision for Charity Care Provisions for Bad Debt 		\$ (2,580,619) (3,166) (10,762)	\$ (5	(5,854) (20,017)
	Total Deductions	\$ (2,594,547)	\$ (5,041,182)
NET OPERATING REVENUE	-	\$ 5,570,756	\$ 10	347,867
D. Operating Expenses				
 Salaries and Wages Physician's Salaries and Wages Supplies Taxes Depreciation Rent Interest, other than Capital 	;	\$ 2,550,092 60,001 96,758 198,887 690,512	\$	3,662,636 61,800 180,037 204,854 690,512
Management Fees a. Fees to Affiliates		167,123		310,436
b. Fees to Non-Affiliates9. Other Expenses (Specify) - SE	EE ATTACHED SCHEDULE	3,264,840		5,159,858
	Total Operating Expenses	\$ 7,028,213	\$ 1	0,270,133
E. Other Revenue (Expenses)-Net (S	Specify)			
NET OPERATING INCOME (LOSS)		\$ (1,457,457)	\$	77,734
F. Capital Expenditure				
Retirement of Principal Interest				
	Total Capital Expenditures	\$ -	\$	
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES		\$ (1,457,457)	\$	77,734

PROJECTED DATA CHART SUPPLEMENT NHC Place at the Trace PROJECTED DATA YEAR 1

	Salaries	Other	Total
Inhalation Therapy		\$ 26,097	\$ 26,097
Occupational Therapy		292,916	292,916
Physical Therapy		324,429	324,429
Speech Pathology		73,240	73,240
Pharmacy		397,322	397,322
Lab and Radiology		76,401	76,401
IV Therapy		44,710	44,710
Nursing Service	1,633,814	634,234	2,268,048
Social Service	104,042	28,141	132,183
Activities	74,993	19,423	94,416
Dietary	226,907	215,827	442,734
Plant Operations	89,130	353,248	442,378
Housekeeping	111,865	49,508	161,373
Laundry and Linen	50,517	27,168	77,685
Medical Records	68,979	33,349	102,328
Adminstrative and General	189,845	668,827	858,672
Totals	\$2,550,092	\$3,264,840	\$ 5,814,932

PROJECTED DATA CHART SUPPLEMENT NHC Place at the Trace PROJECTED DATA YEAR 2

	Salaries	Other	Total
Inhalation Therapy		\$ 48,724	\$ 48,724
Occupational Therapy		569,399	569,399
Physical Therapy		579,912	579,912
Speech Pathology		149,605	149,605
Pharmacy		739,461	739,461
Lab and Radilology		141,925	141,925
IV Therapy		83,104	83,104
Nursing Service	\$2,394,778	814,325	3,209,103
Social Service	154,378	48,808	203,186
Activities	63,603	27,518	91,121
Dietary	303,446	377,157	680,603
Plant Operations	91,358	358,639	449,997
Housekeeping	231,443	96,847	328,290
Laundry and Linen	81,950	48,113	130,063
Medical Records	86,239	58,079	144,318
Adminstrative and General	255,441	1,018,242	1,273,683
Totals	\$3,662,636	\$5,159,858	\$ 8,822,494

STATE OF TENNESSEE **Health Services and Development Agency**



Certificate of Need No. <u>CN1107-024A</u> is hereby granted under the provisions of T.C.A. § 68-11-1601, <i>et seq.</i> , and rules and regulations issued thereunder by this Agency.
To: National HealthCare Corporation 100 Vine Street, 12th Floor Murfreesboro, TN 37130
For: The Health Center of Nashville
This Certificate is issued for: Change of site/relocation of CN1002-007A for the construction of a 150 bed nursing home.
On the premises located at: Unaddressed site at Southeast quadrant of Highway 100 and Pasquo Road Nashville (Davidson County), TN 37221
For an estimated project cost of: \$23,894,100.00
The Expiration Date for this Certificate of Need is
November 1, 2014
or upon completion of the action for which the Certificate of Need was granted, whichever occurs first. After the expiration date, this Certificate of Need is null and void.
Date Approved: September 28, 2011 Chairman
Date Issued: October 26, 2011 Executive Director

STATE OF TENNESSEE **Health Services and Development Agency**



Certificate of Need No. <u>CN1002-007A</u> is hereby granted under the provisions of T.C.A. § 68-11-1601, <i>et seq.</i> , and rules and regulations issued thereunder by this Agency.
To: The Health Center of Nashville, LLC 100 Vine Street Murfreesboro, TN 37130
For: The Health Center of Nashville, LLC
This Certificate is issued for: A change of site/relocation of 150 beds from McKendred Village, 4347 Lebanon Road, Hermitage (Davidson Co.) TN 37076 to 2816 Old Hickory Boulevard, Nashville (Davidson Co.), TN 37221. Pursuant to T.C.A. § 68-11-1628, the proposed site will be a newly constructed 150 bed nursing home located on approximately 50 acres. The Health Center of Nashville will be certified for both Medicaid and Medicare participation.
On the premises located at: 2816 Old Hickory Blvd. Nashville (Davidson County), TN 37221
For an estimated project cost of: \$23,320,300.00
The Expiration Date for this Certificate of Need is
July 1, 2012
or upon completion of the action for which the Certificate of Need was granted, whichever occurs first. After the expiration date, this Certificate of Need is null and void.
Date Approved: May 26, 2010 Chairman
Date Issued: June 23, 2010 Willow W. Will

Executive Director

68-11-1628. Relocation of beds — Requirements — Certification Status.

(a) Any existing licensed and operating nursing home may relocate less than all of its licensed beds to a new location or site if the following conditions are satisfied:

(1) The original facility has maintained an average annual occupancy rate for all licensed beds of at least eighty-five percent (85%) as reported on the joint annual reports for the calendar years 2006 and 2007;

(2) The proposed location for relocation of beds is within the original

facility's service area;

(3) The original facility is part of a continuing care retirement community that offers long term care, including services that included skilled nursing facility (SNF) services, assisted living and independent living;

(4) The original facility is licensed for more than two hundred ninety (290) beds by the department of health and was certified within the preceding

twelve (12) months for medicaid and medicare participation; and

(5) An application for the relocation of the beds is filed with and approved

by the health services development agency pursuant to this part.

(b) Any beds relocated to a new location shall initially have the same medicaid certification status that the original, existing nursing home relocating its beds maintains when the certificate of need is granted allowing the movement of beds.

(c) Nothing in this section shall affect a certificate of need project filed before June 3, 2008.

History.

Acts 2008, ch. 1089, § 2; 2009, ch. 51, § 1.

68-11-1629. Conditions for relocation of beds by an existing licensed and operating nursing home.

(a) Any existing licensed and operating nursing home may relocate all or fewer than all of its licensed beds to no more than two (2) new locations if the following conditions are satisfied:

(1) The original facility is subject to a condemnation proceeding by a railroad that has a property interest in property adjacent to the facility's property:

(2) The original facility is licensed for more than two hundred thirty (230) beds by the department of health and is certified for medicaid and medicare participation;

(3) Any proposed location for relocation of beds is within the original facility's service area; and

(4) One (1) or more applications for the relocation of the beds is filed with and approved by the health services development agency pursuant to this part.

(b) Nothing in this section shall affect a certificate of need project filed before April 9, 2009.

Acts 2 68-11-

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History. Acts 20

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¹²⁵; 2011, R, ch. 575, δ 1.

Amendments. The 2012 amendment substituted "department of mental health and substance abuse services" for "department of mental health" in (d)(8).

Effective Dates.

Acts 2012, ch. 575, § 3. July 1, 2012.

68-11-1628. Relocation of beds — Requirements — Certification Status.

Section to Section References.

This section is referred to in § 68-11-1631.

68-11-1631. Qualified partial relocation of certain nursing home facilities.

(a) Notwithstanding any other law, the agency shall consider a certificate of need application for a qualified partial relocation of a nursing home facility.

(b) A certificate of need application for a qualified partial relocation of a

nursing home facility refers only to the following circumstances:

(1) The holder of an unimplemented certificate of need issued under § 68-11-1628, prior to January 1, 2012, seeks to relocate within the same county a portion of the nursing home beds that are the subject of the unimplemented certificate of need; or

(2) An existing nursing home facility seeks to relocate to a new site within the same county up to fifty percent (50%) of its existing licensed nursing home beds; provided, that the nursing home facility meets all of the following criteria:

(A) The nursing home facility has at least one hundred eighty (180) OI VIOTEND PERON licensed beds;

(B) The nursing home facility has operated for at least twenty-five (25) years at a location within five hundred feet (500') of a general acute care hospital that has more than two hundred (200) licensed beds; and

(C) The general acute care hospital relocated to a new site within the same county and more than two (2) miles from its previous location.

(c) An application for a qualified partial relocation of a nursing home facility that does not seek to increase the number of licensed beds from the number of beds to be relocated shall be reviewed by the department and considered by the agency pursuant to § 68-11-1609(b), and shall not be considered new nursing home beds. The criteria of §§ 68-11-1621 and 68-11-1622 shall not apply to an application for a qualified partial relocation of a nursing home facility.

(d) If an application for a qualified partial relocation of a nursing home facility seeks to increase the number of licensed beds from the number of beds to be relocated, that portion of the application that increases the number of beds shall comply with § 68-11-1622, and shall be considered new nursing home beds. The remaining part of the application relative to the qualified partial relocation shall be reviewed by the department and considered under the criteria set out in subsection (c).

History. Acts 2012, ch. 618, § 1. Effective Dates. Acts 2012, ch. 618, § 2. March 23, 2012.